



## **DEPARTMENT OF TRANSPORTATION**

### **Federal Transit Administration**

#### **FTA Fiscal Year 2017 Apportionments, Allocations, Program Information and Interim Guidance**

**AGENCY:** Federal Transit Administration (FTA), DOT

**ACTION:** Notice

---

**SUMMARY:** This notice provides interim guidance for programs in FY 2017, announces the apportionments and allocations for programs authorized and funded by the Further Continuing and Security Assistance Appropriations Act, 2017 (P.L.114-254) and provides contract authority, and describes future plans for several competitive programs. The notice also includes locations of FY 2017 apportionment tables and unobligated (or carryover) funds allocated under the competitive programs from prior years.

**FOR FURTHER INFORMATION CONTACT:** For general information about this notice contact Kimberly Sledge, Director, Office of Transit Programs, at (202) 366-2053. Please contact the appropriate FTA Regional Office for any specific requests for information or technical assistance. FTA Regional Office contact information is available on FTA's website: [www.transit.dot.gov](http://www.transit.dot.gov).

An FTA headquarters contact for each major program area is included in the discussion of that program in the text of this notice. FTA recommends that stakeholders subscribe on FTA's website [www.transit.dot.gov](http://www.transit.dot.gov) to receive email notifications when new information is available.

**SUPPLEMENTARY INFORMATION:****TABLE OF CONTENTS****I. Overview****II. FY 2017 Funding for FTA Programs**

**A. Funding Based on the Further Continuing and Security Assistance Appropriations Act, 2017 (P.L. 114-254)**

**B. Oversight Takedown**

**C. FY 2017 Formula Apportionments: Data and Methodology**

**III. FY 2017 Program Highlights and Changes**

**A. Focus Areas**

**IV. FY 2017 Program-Specific Information**

**A. Metropolitan Planning Program (49 U.S.C. 5303 and 5305(d))**

**B. State Planning and Research Program (49 U.S.C. 5304 and 5305(e))**

**C. Urbanized Area Formula Program (49 U.S.C. 5307)**

**D. Fixed Guideway Capital Investment Grant Program (49 U.S.C. 5309)**

**E. Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310)**

**F. Formula Grants for Rural Areas Program (49 U.S.C. 5311)**

**G. Rural Transportation Assistance Program (49 U.S.C. 5311(b)(3))**

**H. Appalachian Development Public Transportation Assistance Program (49 U.S.C. 5311(c)(2))**

**I. Formula Grants for Public Transportation on Indian Reservations Program (49 U.S.C. 5311(j))**

**J. Public Transportation Innovation (49 U.S.C. 5312)**

**K. Technical Assistance and Workforce Development (49 U.S.C. 5314)**

**L. Public Transportation Emergency Relief Program (49 U.S.C. 5324)**

**M. Public Transportation Safety Program (49 U.S.C. 5329)**

**N. State of Good Repair Program (49 U.S.C. 5337)**

**O. Grants for Buses and Bus Facilities Program (49 U.S.C. 5339)**

**P. Growing States and High Density States Formula Factors (49 U.S.C. 5340)**

**Q. Washington Metropolitan Area Transit Authority Grants**

**R. Paul S. Sarbanes Transit in Parks Program (49 U.S.C. 5320)**

**V. FTA Policy and Procedures for FY 2017 Grants**

**A. Automatic Pre-Award Authority To Incur Project Costs**

**B. Letter of No Prejudice (LONP) Policy**

**C. FY 2017 Annual List of Certifications and Assurances**

**D. Civil Rights Requirements**

**E. Consolidated Planning Grants**

**F. Grant Application Procedures**

**G. Grant Management**

## **I. Overview**

This document contains important information and interim guidance about existing FTA program statutes (49 U.S.C. 5301, *et. seq.*) and changes resulting from the Fixing America's Surface Transportation (FAST) Act (Pub. L. 114-94), signed by President Obama on December 4, 2015 and effective on October 1, 2015.

In addition, this document provides notice of funding availability through April 28, 2017 by the Further Continuing and Security Assistance Appropriations Act, 2017 (P.L. 114-254) contract authority for FTA formula and competitive programs pursuant to the Further Continuing

and Security Assistance Appropriations Act, 2017 (Pub. L. 114-254) (“Continuing Appropriations Act”).

For each FTA program, FTA has provided information on the FY 2017 authorized funding levels, the basis for apportionment or allocation of funds, requirements specific to the program, the period of availability of funds, and other program information. A separate section provides information on pre-award authority as well as other requirements and guidance applicable to FTA programs and grant administration. Finally, the notice includes referred to tables on FTA’s website that show \$5,323,087,320 in new contract authority apportioned through April 28, 2017 and approximately \$1.04 billion in unobligated or carryover contract authority that is available in FY 2017 from prior years.

Information in this document includes references to the existing FTA program guidance and circulars. Some information may have been superseded by new provisions in the FAST Act, but these guidance documents and circulars remain a resource for program management in most areas. FTA intends to revise the guidance and circulars, as appropriate, with an opportunity for public comment where necessary.

## **II. FY 2017 Funding for FTA Programs**

### **A. Funding Based on the Further Continuing and Security Assistance Appropriations Act, 2017**

The Further Continuing and Security Assistance Appropriations Act, 2017 (Pub. L. 114-254) makes new funding available for FY 2017 available through April 28, 2017. At approximately seven twelfths of the FY 2016 level.

Current funding availability for each program is identified in section IV of this notice and in Table 1 located on FTA’s FY 2017 Apportionment web page:

[www.transit.dot.gov/funding/apportionments](http://www.transit.dot.gov/funding/apportionments).

## **B. Oversight Takedown**

The FAST Act modified section 5338(f) to provide for the following oversight takedowns of FTA programs: 0.5 percent of Metropolitan and Statewide Planning funds, 0.75 percent of Urbanized Area Formula funds, 1 percent of Fixed Guideway Capital Investment funds, 0.5 percent of Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities, 0.5 percent of Formula Grants for Rural Areas, 1 percent of State of Good Repair Formula funds, 0.75 percent for Grants for Buses and Bus Facilities, and 1 percent of Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority funds. The funds are used to provide necessary oversight activities, such as oversight of the construction of any major capital project receiving Federal transit assistance; to conduct State Safety Oversight, drug and alcohol, civil rights, procurement systems, management, planning certification, and financial reviews and audits, as well as evaluations and analyses of grantee-specific problems and issues; and to generally provide technical assistance and correct deficiencies identified in compliance reviews and audits.

## **C. FY 2017 Formula Apportionments: Data and Methodology**

### ***1. Apportionment Tables***

FTA is publishing apportionment tables on its web site for each program that reflects the funding level in the continuing resolution appropriations less oversight take-downs, as applicable. Tables displaying the funds available to eligible states, tribes, and urbanized areas have been posted to <http://www.transit.dot.gov/funding/apportionments>. This website contains a page listing the apportionment and allocation tables for FY 2017 as well as links to prior year formula apportionment notices and tables and the National Transit Database (NTD) and Census data used to calculate the FY 2017 apportionments.

## ***2. National Transit Database and Census Data Used in the FY 2017 Apportionments***

Consistent with past practices, the calculations for sections 5307, 5311, including 5311(j) (Tribal Transit), 5329, 5337, and 5339 programs rely on the most-recent transit service data reported to the (NTD), which for FY 2017 is the 2015 report year. In some cases where an apportionment is based on the age of the system, the age is calculated as of September 30, 2016, the last day before FY 2017 began. Any recipient or beneficiary of either section 5307 or Rural Areas Formula Program program funds is required to report to the NTD. Additionally, a number of transit operators report to the FTA's NTD on a voluntary basis. For the 2015 report year, the NTD includes data from 866 reporters in urbanized areas, 836 of which reported operating transit service. The NTD also includes data from 1,551 providers of rural transit service, which includes 134 Indian Tribes providing transit service.

The 2010 Census data is used to determine population and population density for sections 5303, 5305, 5307 and 5339 as well as rural population and rural land area for Rural Areas Formula Program. The formulas for sections 5307, 5311, and 5311(j) include tiers where funding is allocated on the basis of the number of persons living in poverty, and the section 5310 formula program allocates funding on the basis of the population of older adults and people with disabilities. The Census Bureau no longer publishes decennial census data on persons living in poverty and persons with disabilities. As a result, since FY 2013, FTA used the data for these populations available via the Census' American Community Survey (ACS). The NTD and census data that FTA used to calculate the apportionments associated with this notice can be found on FTA's Web site: [www.transit.dot.gov/funding/apportionments](http://www.transit.dot.gov/funding/apportionments)

The FY 2017 apportionments use data on low-income persons, persons with disabilities, and older adults from the 2010-2014 ACS five-year data set, which was published in December

2015. This data represent the most recent five-year ACS estimates that are available as of October 1st for the year being apportioned. As was the case in prior years, data on low-income persons comes from ACS Table B17024, “Age by Ratio of Income to Poverty in the Last Twelve Months,” and data on people with disabilities under 65 years old comes from ACS Table S1810, “Disability Characteristics.” Data on older adults (over 65 years old) comes from ACS Table B01001, “Sex by Age.”

### **III. FY 2017 Program Highlights and Changes**

#### **A. Focus Areas**

##### ***1. Tribal Transportation Self-Governance Program (Title 23 Federal-Aid Highways Program)***

Section 207 of title 23, United States Code establishes a Tribal Transportation Self-Governance Program (Self Governance Program). The Self-Governance Program establishes specific criteria for determining eligibility for a tribe to participate in the program. DOT will implement this program in consultation with tribal representatives and other interested stakeholders. A Negotiated Proposed Rulemaking to implement this program is under development.

##### ***2. Public Transportation Innovation***

FTA’s research mission is to advance public transportation innovation by leading multi-dimensional research, development, demonstration, deployment, and technical assistance projects for the transit industry that improves riders’ experiences and enhances public transit’s effectiveness, efficiency, quality, and safety. FTA’s Office of Research, Demonstration, and Innovation sought industry input on a five year research strategic plan. The result was an affirmation of FTA’s research strategic goals to improve safety, enhance mobility, promote asset management, and expand asset innovation. These goals directly address and support the six

primary purposes of U.S. DOT's transportation research and development program as defined in Section 6503 of the FAST Act as follows:

- Improving mobility of people and goods;
- Reducing congestion;
- Promoting safety;
- Improving the durability and extending the life of transportation infrastructure;
- Preserving the environment; and
- Preserving the existing transportation system.

Going forward, FTA will continue to prioritize research investments based upon these goals. FTA expects to publish its Research Strategic Plan in FY 2017.

### ***3. Shared Mobility***

Shared Mobility continues to remain a key focus area within FTA's Public Transportation Innovation program. The definition of personal mobility is changing due to social and cultural trends combined with the powerful tools in handheld smartphones and related transportation technology innovations. New mobility concepts and solutions like bike-sharing, car-sharing, car-hailing, and innovative demand-response bus services are now possible and more convenient because of these developments. This gives travelers new, flexible and personally tailored transportation options. Many of these services are emerging in proximity to high-capacity transit corridors with land uses and activities that create the market for new services. Supported by smart policies, the interaction between public transportation and these emerging services can create improved travel choices.

To support personal mobility innovation, (FTA) recently allocated \$8 million for 11 projects through the innovative Mobility on Demand (MOD) Sandbox Demonstration program using



FTA research funds (Public Transportation Innovation/Public Transportation Innovation). The projects carried out by transit agencies will test new ideas in personal mobility and integrated multimodal transportation networks. From that MOD program solicitation process, and from dialogue with other stakeholders, FTA has identified questions about funding eligibility under Federal public transportation law for FTA grant programs, like the Urbanized Area and Rural formula programs, as well as compliance with federal requirements, such as the Americans with Disabilities Act (ADA), related to mobility on demand generally and, particularly, to electronic hailing of vehicles such as taxis or other transportation network company (TNC) vehicles.

FTA has prepared answers to Frequently Asked Questions (FAQs) to address the eligibility and Federal requirement questions. This information is posted on the FTA website at <https://www.transit.dot.gov/shared-mobility>. FTA will use information from the MOD Sandbox projects and related efforts, such as the recently launched online dialogue, to continue the discussion with agency stakeholders and to address questions regarding innovative practices and shared-ride, on-demand mobility services as they emerge. FTA encourages your participation in this online discussion. Stakeholders can also send comments and questions to [TransitInnovations@dot.gov](mailto:TransitInnovations@dot.gov).

#### ***4. Bus Testing Facility (49 U.S.C. 5318)***

On August 1, 2016, FTA issued its final rule to implement minimum performance standards, a scoring system, and a pass/fail threshold for new model transit buses procured with FTA financial assistance authorized under 49 U.S.C. Chapter 53. Consistent with 49 U.S.C. 5318(e), FTA recipients are prohibited from using FTA financial assistance to procure new bus models, that were not previously tested, that have not met the minimum performance standards established by this rule. The standards and scoring system address the following

categories: Structural integrity, safety, maintainability, reliability, fuel economy, emissions, noise, and performance. Buses must meet a minimum performance standard in each of these categories in order to receive an overall passing score and be eligible for purchase using FTA financial assistance. Buses can achieve higher scores with higher performance in each category, and the final rule establishes a numerical scoring system based on a 100-point scale so that buyers can more effectively compare vehicles.

The final rule was effective on October 31, 2016. FTA's website has additional information, resources, and a link to sign up for email notices about the Bus Testing Program at: [www.transit.dot.gov/research-innovation/bus-testing](http://www.transit.dot.gov/research-innovation/bus-testing).

### ***5. FY 2017 Competitive Programs Funding and Schedule***

FTA will issue Notices of Funding Opportunities (NOFO) in FY 2017 for the programs listed in the following chart. Additional information about each competitive program is in section III of this notice.

<b>FY 2017 Competitive Programs</b>	<b>Statute 49 U.S.C.</b>	<b>2017 Authorized Funding Level (in millions)</b>	<b>Timeline for Notification of Awards</b>
<b>Passenger Ferry Grant Program</b>	<b>5307</b>	<b>\$30.0</b>	<b>Summer 2017</b>
<b>Rides to Wellness Demonstration and Innovative Coordinated Access and Mobility Grants</b>	<b>FAST Section 3006(b)</b>	<b>\$3.0</b>	<b>Summer 2017</b>
<b>Tribal Transit</b>	<b>5311(c)(1)(A)</b>	<b>\$5.0</b>	<b>Spring 2017</b>
<b>Grants for Buses and Bus Facilities Competitive Program</b>	<b>5339</b>	<b>\$228.0</b>	<b>Summer 2017</b>
<b>Low or No Emission Grants Competitive Program</b>	<b>5339</b>	<b>\$55.0</b>	<b>Spring 2017</b>
<b>Pilot Program to D Planning</b>	<b>MAP-21 Section 2005(b)</b>	<b>\$10.0</b>	<b>Fall 2017</b>

#### **IV. FY 2017 Program-Specific Information**

##### **A. Metropolitan Planning Program (49 U.S.C. 5303 and 5305(d))**

Section 5305(d) authorizes Federal funding to support a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan area level. The specific requirements of metropolitan transportation planning are set forth in 49 U.S.C. 5303 and further explained in 23 CFR Part 450, as incorporated by reference in 49 CFR part 613, Planning Assistance and Standards. State Departments of Transportation (DOTs) are direct recipients of funds allocated by FTA, which are then sub-allocated to Metropolitan Planning Organizations (MPOs), for planning activities that support the economic vitality of the metropolitan area.

The MPO process must establish a performance-based approach in which the MPO will develop specific performance targets that address transportation system performance measures (to be issued by U.S. DOT), where applicable, to use in tracking progress towards attaining critical outcomes. These performance targets will be established by MPOs in coordination with States and transit providers. MPOs will provide a system performance report that evaluates the progress of the MPO in meeting the performance targets in comparison with the system performance identified in prior reports. This funding must support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods in the metropolitan area. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance. Eligible work elements or activities include, but are not limited to studies relating to management, mobility management, planning, operations, capital requirements,

economic feasibility, performance-based planning; evaluation of previously funded projects; peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analysis among MPOs and other transportation planners; work elements and related activities preliminary to and in preparation for constructing, acquiring, or improving the operation of facilities and equipment; development of coordinated public transit human services transportation plans. An exhaustive list of eligible work activities is provided in FTA Circular 8100.1C, Program Guidance for Metropolitan Planning and State Planning and Research Program Grants, dated September 1, 2008.

*For more information or questions on the Metropolitan Planning program, please contact Victor Austin at (202) 366-2996 or [victor.austin@dot.gov](mailto:victor.austin@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$110,347,597 in FY 2017 to provide financial assistance for metropolitan planning needs under section 5305. Under the Further Continuing Appropriations Act, \$62,042,888 is available through April 28, 2017.

### ***2. FY 2017 Funding Availability***

In FY 2017, \$62,042,888 is available for the period October 1, 2016 through April 28, 2017 to the Metropolitan Planning Program (section 5305(d)) to support metropolitan transportation planning activities set forth in section 5303. The total amount apportioned for the Metropolitan Planning Program to States for use by MPOs in urbanized areas (UZAs) is \$61,732,673 as shown in the table below, after the deduction for oversight (authorized by section 5338).

<b>Metropolitan Planning Program – FY 2017</b>	
Total Appropriation available through April 28, 2017	\$62,042,888

Oversight Deductions	(310,214)
Total Apportioned	\$ 61,732,673

### ***3. Basis for Formula Apportionment***

Of the amounts authorized in section 5305, 82.72 percent is made available to the Metropolitan Planning Program. Eighty percent of the funds are apportioned on a statutory basis to the States based on the most recent decennial Census for each State's UZA population. The remaining 20 percent is provided to the States based on an FTA administrative formula to address planning needs in larger, more complex UZAs. The amount published for each State includes the supplemental allocation.

### ***4. Requirements***

The State allocates Metropolitan Planning funds to MPOs in UZAs or portions thereof to provide funds for planning projects included in a one or two-year program of planning work activities (the Unified Planning Work Program, or UPWP) that includes multimodal systems planning activities spanning both highway and transit planning topics. Each State has either reaffirmed or developed, in consultation with its MPOs, an allocation formula among MPOs within the State, based on the 2010 Census. The allocation formula among MPOs in each State may be changed annually, but any change requires approval by the FTA Regional Office before grant approval. Program guidance for the Metropolitan Planning Program is found in FTA Circular 8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

### ***5. Period of Availability***

The Metropolitan Planning program funds apportioned in this notice are available for obligation during FY 2017 plus three additional fiscal years. Accordingly, funds apportioned in FY 2017 must be obligated in grants by September 30, 2020. Any FY 2017 apportioned funds

that remain unobligated at the close of business on September 30, 2020, will revert to FTA for reapportionment under the Metropolitan Planning Program.

### ***6. Other Program Information***

The planning programs provide funding and procedural requirements to metropolitan areas and States for multimodal transportation planning that is cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs of projects that reflect transportation investment priorities. The planning programs are jointly administered by FTA and the Federal Highway Administration (FHWA), which provides additional funding. The FAST Act sections 5303 and 5304 as noted below:

- New emphasis is placed on intercity transportation, including intercity buses and intermodal facilities that support intercity transportation, and commuter vanpool providers.
- The selection and role of the transit representation on MPO policy boards in large urbanized areas is clarified. MPOs in urbanized areas designated as transportation management areas must include officials of agencies that administer or operate major modes of transportation, as well as representatives of public transit operators, on MPO policy boards. The representative of public transit shall be selected according to the bylaws or enabling legislation of the MPO, and the representative of public transit may also serve as a representative of a local municipality on the MPO board. For additional information please reference the Final Rule on Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning (81 FR, 3404, May 27, 2016).

- The scope of the planning process adds two new planning factors, in addition to the eight pre-existing factors established under prior law. The two new factors are: 1) improve the resiliency and reliability of the transportation system, and reduce the vulnerability of the existing transportation infrastructure to natural disasters, and 2) enhance travel and tourism.
- MPOs and State DOTs should provide public ports, intercity bus operators and employer-based commuting programs with a reasonable opportunity to comment on transportation plans.
- Plans must place greater emphasis on the congestion management process. MPOs that serve transportation management areas must develop a congestion management plan with input from employers, private and public transit providers, transportation management associations, and organizations that provide low-income individuals transportation access to jobs and job related services.
- The long-range statewide transportation plan and metropolitan transportation plan must include a description of the performance measures and performance targets. State DOTs and MPOs are also required to provide a system performance report evaluating the condition and performance of the transportation system.

In the Final Rule on Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning, FHWA and FTA make the statewide, metropolitan, and nonmetropolitan transportation planning regulations consistent with current statutory requirements. The final rule establishes the following: 1) a new mandate for States and MPOs to take a performance-based approach to planning and programming; 2) a new emphasis on the nonmetropolitan transportation planning process, by requiring States to have a higher level of

involvement with nonmetropolitan local officials and providing a process for the creation of RTPOs; 3) implementation of the afore mentioned statutory requirement for a structural change to the membership of the larger MPOs; 4) a new framework for voluntary scenario planning; 5) a new authority for the integration of the planning and environmental review processes; and 6) a process for programmatic mitigation plans.

Among the most significant changes is the new mandate for a performance-based planning process: MPOs and State DOTs must establish performance targets that address forthcoming U.S. DOT-issued national performance measures that are based on the goals outlined in the legislation—safety, infrastructure condition, congestion reduction, system reliability, economic vitality, environmental sustainability, reduced project delivery delays, transit safety, and transit asset management. MPOs also must coordinate their performance targets, to the maximum extent practicable, with performance targets set by FTA grantees under the new performance measure requirements for safety and state of good repair. Transportation Improvement Programs (TIPs) must include a description of the anticipated progress toward achieving the performance targets resulting from implementation of the TIP. By October 1, 2017, DOT will provide Congress with a report evaluating the effectiveness of performance-based planning and assessing the technical capacity of MPOs in smaller areas to undertake performance-based planning. After May 27, 2018, a State's and MPO's long-range plans, STIPs, and TIPs must reflect performance targets and plans according to the provisions of the final rule.

#### **B. State Planning and Research Program (49 U.S.C. 5304 and 5305(e))**

This program provides financial assistance to States for statewide transportation planning and other technical assistance activities, including supplementing the technical assistance program provided through the Metropolitan Planning program. The specific requirements of Statewide



transportation planning are set forth in 49 U.S.C. 5304 and further explained in 23 CFR Part 450 as referenced in 49 CFR part 613, Planning Assistance and Standards. State DOTs are required to reference performance measures and performance targets within the Statewide Planning process. This funding must support work elements and activities resulting in balanced and comprehensive intermodal transportation planning for the movement of people and goods. Comprehensive transportation planning is not limited to transit planning or surface transportation planning, but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance.

*For more information or questions on the State Planning and Research program, please contact Victor Austin at (202) 366-2996 or [victor.austin@dot.gov](mailto:victor.austin@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$23,051,336 in FY 2017, to provide financial assistance for statewide planning and other technical assistance activities under section 5305. Under the Continuing Appropriations Act of 2017, \$12,960,603 is available through April 28, 2017. As specified in law, this represents the 17.28 percent of the amounts available for section 5305 that are allocated to the Statewide Planning and Research program.

### ***2. FY 2017 Funding Availability***

In FY 2017, \$12,960,603 is available for the period October 1, 2016 through April 28, 2017 to the State Planning and Research Program (section 5305(e)). The total amount apportioned for the State Planning and Research Program (SPRP) is \$12,895,800 as shown in the table below, after the deduction for oversight (authorized by section 5338).

<b>Statewide Planning Program – FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$12,960,603

Oversight Deductions	(64,803)
Total Apportioned	\$12,895,800

States' apportionments for this program are displayed in Table 2.

### ***3. Basis for Formula Apportionment***

Of the amount authorized for section 5305, 17.28 percent is allocated to the State Planning and Research program. FTA apportions funds to States by a statutory formula that is based on the most recent decennial Census data available, and the State's UZA population as compared to the UZA population of all States.

### ***4. Requirements***

Funds are provided to States for Statewide transportation planning programs. These funds may be used for a variety of purposes such as planning, technical studies and assistance, performance-based planning, demonstrations, and management training. In addition, a State may authorize a portion of these funds to be used to supplement Metropolitan Planning funds allocated by the State to its UZAs, as the State deems appropriate. Program guidance for the State Planning and Research program is found in FTA Circular 8100.1C, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 1, 2008.

### ***5. Period of Availability***

The State Planning and Research program funds apportioned in this notice are available for obligation during FY 2017 plus three additional fiscal years. Accordingly, funds apportioned in FY 2017 must be obligated in grants by September 30, 2020. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reapportionment under the State Planning and Research program.

### **C. Urbanized Area Formula Program (49 U.S.C. 5307)**

The Urbanized Area Formula Program provides financial assistance to designated recipients in urbanized areas (UZAs) for capital investments in public transportation systems, planning, job access and reverse commute projects, and, in some cases, operating assistance. FTA apportions funds for this program through a statutory formula. Of the amount authorized for Section 5307 each year, \$30 million is set aside for the competitive Passenger Ferry Grant Program (Ferry program), as authorized under 49 U.S.C., 5307(h). The Ferry program offers financial assistance to public ferry systems in urbanized areas for capital projects. Projects are selected annually through a funding competition. Additionally 0.5 percent will be apportioned to eligible States for State Safety Oversight (SSO) Program grants, and 0.75 percent will be set aside for program oversight. Further information on the 0.5 percent apportionment to States for the State Safety Oversight Program is provided in section IV.M. of this notice.

For more information or questions on the *Urbanized Area Formula Program*, contact Tara Clark at (202) 366–2623 or [tara.clark@dot.gov](mailto:tara.clark@dot.gov). For more information on the *Ferry Program*, contact Vanessa Williams at (202) 366-4818 or [vanessa.williams@dot.gov](mailto:vanessa.williams@dot.gov).

#### ***1. Authorized Amounts***

Federal transit law authorizes \$4,629,683,814 in FY 2017 to provide financial assistance for urbanized areas under section 5307. Under the Continuing Appropriations Act of 2017, \$2,604,058,475 is available through April 28, 2017.

#### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017, only \$2,604,058,475 is available for the Urbanized Area Formula program for the period of October 1, 2016 through April 28, 2017. The total amount apportioned to urbanized areas is

\$2,817,580,866, which includes the addition of amounts apportioned to UZAs pursuant to the Section 5340 Growing States and High Density States Formula factors. This amount excludes the set-aside for the Ferry program, apportionments under the State Safety Oversight Program, and oversight (authorized by section 5338), as shown in the table below:

<b>Urbanized Area Formula Program – FY 2017</b>	
Total Appropriation available thru April 28,2017	\$2,604,058,475 /a
Oversight Deduction	(\$19,530,439)
Ferry Competitive Program	(\$17,211,583)
State Safety Oversight Program	(\$13,020,292)
Section 5340 High Density States	\$151,441,543
Section 5340 Growing States	\$111,800,668
Total Apportioned	\$2,817,538,371

a/ Includes 1.5 percent set-aside for Small Transit Intensive Cities Formula

Table 3 displays the amounts apportioned under the Urbanized Area Formula Program.

### ***3. Basis for Formula Apportionment***

FTA apportions Urbanized Area Formula Program funds based on statutory formulas.

Congress established four separate formulas to apportion portions of the available funding: the Section 5307 Urbanized Area Formula Program formula, the Small Transit Intensive Cities (STIC) formula, the Growing States and High Density States formula, and a formula based on low-income population.

Consistent with prior apportionment notices, Table 3 shows a total section 5307 apportionment for each UZA, which includes amounts apportioned under each of these formulas. Detailed information about the formulas is provided in Table 4. For technical assistance purposes, the UZAs that receive STIC funds are listed in Table 6. FTA will provide breakouts of the funding allocated to each UZA under these formulas upon request to the FTA Regional Office.

FTA has calculated dollar unit values for the formula factors used in the Urbanized Area Formula Program apportionment calculations. These values represent the amount of money each unit of a factor is worth in this year's apportionment. The unit values change each year, based on all of the data used to calculate the apportionments, as well as the amount appropriated by Congress for the apportionment. The dollar unit values for FY 2017 are displayed in Table 5. To replicate the basic formula component of a UZA's apportionment, multiply the dollar unit value by the appropriate formula factor (i.e., the population, population x population density), and when applicable, data from the NTD (i.e., route miles, vehicle revenue miles, passenger miles, and operating cost).

*a. Section 5307 – Urbanized Area Formula*

For UZAs between 50,000 and 199,999 in population, the Urbanized Area Formula is based on population and population density. For UZAs with populations of 200,000 or more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. The Urbanized Area Formula is defined in 49 U.S.C. 5336. Consistent with section 5336(b), FTA has included 27 percent of the fixed guideway directional route miles and vehicle revenue miles from eligible urbanized area transit systems, but which were attributable to rural areas outside of the urbanized areas from which the system receives funds.

*b. Small Transit Intensive Cities Formula*

Under the STIC formula, FTA apportions 1.5% of the funds made available for section 5307 to UZAs that are under 200,000 in population and have public transportation service that operates at a level equal to or above the industry average for UZAs with a population of at least 200,000, but not more than 999,999. STIC funds are apportioned on the basis of six performance

categories: passenger miles traveled per vehicle revenue mile, passenger miles traveled per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles traveled per capita, and passengers per capita. In FY 2019, the STIC set aside will increase from 1.5% to 2%.

The data used to determine a UZA's eligibility under the STIC formula and to calculate the STIC apportionments was obtained from the NTD for the 2015 reporting year. Because performance data change with each year's NTD reports, the UZAs eligible for STIC funds and the amount each receives may vary each year. UZAs that received funding through the STIC formula for FY 2017 are listed in Table 6.

*c. Section 5340 – Growing States and High Density States Formula*

FTA also apportions funds to qualifying UZAs and States according to the section 5340 Growing States and High Density States formula, as shown in Table 3. More information on this program and its formula is found in section IV.P. of this notice.

*d. Low-Income Population*

Of the amount authorized and appropriated for the Urbanized Area Formula Program in each year, 3.07 percent is apportioned on the basis of low income population. As specified in statute, FTA apportions 75 percent of the available funds to UZAs with a population of 200,000 or more. Funds are apportioned based on the ratio of the number of low income individuals in each UZA to the total number of low income individuals in all urbanized areas of that size. FTA apportions the remainder of the funds (25 percent) to UZAs with populations of less than 200,000, according to an equivalent formula. The low income populations used for this calculation were based on the American Community Survey (ACS) data set for 2010-2014. This information is updated by the Census Bureau annually.

#### ***4. Requirements***

The maximum Federal share for the Urbanized Area Formula Program, including the Ferry Program, is 80 percent, or 85 percent for the net project cost of acquiring vehicles (including clean-fuel or alternative fuel) for the purpose of complying with or maintaining compliance with the Clean Air Act (CAA) or the Americans with Disabilities Act (ADA) of 1990. The maximum Federal share is 90 percent of the net project cost for acquiring vehicle-related equipment or facilities (including clean-fuel or alternative-fuel vehicle-related equipment or facilities) for the purpose of complying with or maintaining compliance with the CAA or ADA.

Program guidance for the Urbanized Area Formula Program is found in FTA Circular 9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions, dated January 16, 2014, and is supplemented by additional information and changes provided in this notice and that may be posted to the Urbanized Area Formula Grants program web page. FTA is in the process of updating the program circular to incorporate changes resulting from FAST Act amendments to 49 U.S.C. 5307.

#### ***5. Period of Availability***

Funds made available under the Urbanized Area Formula Program are available for obligation during the year of apportionment plus five additional years. Accordingly, funds apportioned in FY 2017 must be obligated by September 30, 2022. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2022 will revert to FTA for reapportionment under the Urbanized Area Formula Program.

Funds allocated under the Ferry program follow the same period of availability as section 5307. Accordingly, funds allocated in FY 2017 must be obligated by September 30, 2022. Any

of the funds allocated in FY 2017 that remain unobligated at the close of business on September 30, 2022 will revert to FTA for reallocation under the Ferry program.

## **6. Other Program Information**

### **a. Special Rule for Operating Assistance in Large Urbanized Areas**

The special rule at 49 U.S.C. 5307(a)(2) makes recipients in urbanized areas with populations of 200,000 or above that operate 100 or fewer buses in fixed route service or general public demand response service during peak hours, excluding ADA complementary paratransit service, eligible for operating assistance subject to a maximum amount per system as explained below:

*i.* Public transportation systems that operate a minimum of 76 buses and a maximum of 100 buses in fixed route service or general public demand response, excluding ADA complementary paratransit service, during peak service hours may receive operating assistance in an amount not to exceed 50 percent of the share of the apportionment that is attributable to such systems within the urbanized area, as measured by vehicle revenue hours.

*ii.* Public transportation systems that operate 75 or fewer buses in fixed route service or demand response, excluding ADA complementary paratransit service, during peak service hours may receive operating assistance in an amount not to exceed 75 percent of the share of the apportionment that is attributable to such systems within the urbanized area, as measured by vehicle revenue hours.

*iii.* A list of eligible recipients and their maximum operating assistance amounts for FY 2017 is shown in Table 3-A. FTA identified the systems eligible to use this provision and their maximum amounts for FY 2017 using data from the NTD for reporting year 2015. Operating assistance requires a 50 percent local match.



In accordance with section 5307(a)(2), FTA has calculated a fixed annual cap on operating assistance for each eligible agency that provides service in a large UZA. The cap is determined by dividing the UZA's apportionment by the total number of vehicle revenue hours reported from all public transportation operators and from all transit modes in the UZA, and then by multiplying this quotient by the number of bus vehicle revenue hours operated in the UZA by the eligible system. The result is the proportional share of the apportionment that is attributable to the qualifying system, as measured by vehicle revenue hours. This cap is calculated based on the FY 2017 apportionment for an eligible provider's UZA. Eligible systems operating in more than one UZA over 200,000 in population will receive separate operating caps from each UZA in which the system operates. The FY 2017 Apportionment Table 3A includes all eligible general public demand response operators. Systems that operate more than 100 buses in general public demand response service, and which do not operate any fixed-route service are not eligible for operating assistance under this provision. Systems that only operate ADA complimentary paratransit are not eligible for operating assistance under this provision.

Systems that operate more than 100 buses in fixed route service are not eligible for operating assistance under this provision. Systems that operate 100 or fewer fixed route buses are eligible, regardless of the number of demand response vehicles they operate.

In determining the amount of operating assistance available for specific systems in urbanized areas under the Special Rule, public transportation systems may execute a written agreement with one or more other public transportation systems within the urbanized area to allocate funds by a method other than by measuring vehicle revenue hours. Systems within the urbanized area may combine their individual operating assistance caps and allocate the combined funds using a method that is agreed upon by all of the systems. The operating assistance cap for the urbanized

area does not change as a result of any agreement between two or more systems. The method used to allocate the funds must be documented in a written agreement, signed by the participating parties, and transmitted to FTA as part of the split letter.

*b. Eligibility of Substitute Transit Service as a Capital Project*

The cost of operating substitute service (i.e. a bus bridge) is an eligible capital project expense when incidental to a scheduled capital maintenance, rehabilitation, or construction project on an existing system. Eligible substitute service must be temporary, scheduled, and the costs defined in the grant agreement for the capital project. Substitute service costs are not an eligible capital project expense in conjunction with emergency maintenance, operating incidents, or other contingency operations, including emergency operations associated with an emergency or a disaster.

*c. Prohibition on Funding for Art and Non-Functional Landscaping*

While formerly eligible for Urbanized Area Formula Program funds as a “Transit Enhancement” (the precursor to Associated Transit Improvement), at 49 U.S.C. 5323 (h) now prohibits the use of FTA funds for the “incremental costs of incorporating art or non-functional landscaping into facilities, including the costs of an artist on the design team.” This prohibition applies to the creation, production, or installation of artworks, defined as objects intended for a primarily aesthetic purpose, or the involvement of artists in the development of a capital project. However, FTA does not interpret the law to exclude or generally prohibit the functional and aesthetic design of transit stations or related facilities, including designs intended to minimize adverse visual effects on the surrounding community. Transit facilities and surrounding landscape designs should incorporate aesthetic considerations, including but not limited to

decisions regarding the use of light, shape, color, materials, the use of space, and the historic setting to achieve a functional and welcoming public transit facility.

FTA will not require grantees to assess the often indeterminate incremental costs associated with functional design elements, including, but not limited to, the use of different types or colors of paint or tile, wayfinding elements intended to direct passengers or staff, or different or alternate construction materials in the design of a transit facility.

Recipients may continue to use local funds for art in association with transit capital projects, but such expenditures may not be counted towards the local share of a project cost, and should not be included in the grant award.

With regard to landscaping, FTA recognizes that landscaping is a functional element of many transit facilities. For example, landscaping can be used to aid in the absorption or drainage of rainwater, prevention of erosion, support of structures on a steep grade, minimization of noise impacts, protection of habitat, provision of shade in hot climates, channeling of pedestrian or vehicle traffic, definition of useable or unsafe spaces, and many other purposes. In interpreting the term “functional landscaping” under this provision of law, FTA draws a similar distinction, as with art, between functionally appropriate landscape design and landscape elements installed primarily for visual or aesthetic appeal.

For additional information see the Art and Non-Functional Landscaping frequently asked questions posted on the Urbanized Area Formula Grants webpage.

*d. Employee Training Expenses*

Costs associated with employee training may be eligible for Urbanized Area Formula Program funding as operating expenses, as preventive maintenance expenses, or as provided for

under the following provisions. A recipient may fund training expenses as an operating expense under Section 5307, where allowed, at a 50 percent Federal share.

*i.* Under Section 5314(b), up to 0.5 percent of the program a recipient's section 5307, 5337, and 5339 funds may be used for human resources and workforce development activities at an 80 percent Federal cost share, including the cost of administering a training program. Eligible activities include:

- Various public transportation training programs;
- Outreach programs for targeted groups to increase public transportation employment for veterans, women, individuals with disabilities, and minorities;
- Development of training partnerships with key stakeholders including community colleges, workforce development boards, and other industry groups;
- Development of apprenticeships, on-the-job-training, and instructional training for public transportation; maintenance and operations occupations;
- Improve safety, security, and emergency preparedness in local public transportation system through improved safety culture and workforce communication with first responders and the riding public. And other activities approved by FTA that address human resource needs as they apply to public transportation activities.

*ii.* Under Section 5314(c), up to 0.5 percent of Section 5307, 5337, and 5339 funds are available to a state or public transportation authority recipient in a fiscal year to use for tuition and direct educational expenses at the National Transit Institute for education and training of state and local transportation employees, at a federal share not to exceed 80 percent. States may also use these funds for training State and local transportation agency employees through grants

and contracts with public and private agencies, and other institutions and individuals with prior FTA approval.

#### **D. Fixed Guideway Capital Investment Grant Program (49 U.S.C. 5309)**

The Capital Investment Grant (CIG) Program includes four types of eligible projects – New Starts projects, Small Starts projects, Core Capacity Improvement projects, and Programs of Inter-related Projects. Funding is provided for construction of: 1) new fixed guideway systems or extensions to existing fixed guideway systems such as rapid rail (heavy rail), commuter rail, light rail, trolleybus (using overhead catenary), cable car, passenger ferries, and bus rapid transit operating on an exclusive transit lane for the majority of the corridor length that also includes features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional service for a substantial part of weekdays and weekends; 2) corridor-based bus rapid transit service that does not operate on an exclusive transit lane but includes features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional services for a substantial part of weekdays; 3) projects that expand the capacity by at least 10 percent in an existing fixed guideway corridor that is at capacity today or will be in five years; and 4) programs of two or more interrelated projects as described above that have logical connectivity with one another and will all begin construction in a reasonable timeframe.

*For more information about the Capital Investment Grant program contact Elizabeth Day, Office of Capital Project Development, at (202) 366–5159 or [elizabeth.day@dot.gov](mailto:elizabeth.day@dot.gov). For information about published allocations contact Eric Hu, Office of Transit Programs, at (202) 366–0870 or [eric.hu@dot.gov](mailto:eric.hu@dot.gov)*

### ***1. Authorized Amounts***

Federal transit law authorizes \$2,301,785,760 in FY 2017, to provide financial assistance under section 5309. Under the Continuing Appropriations Act of 2017, \$1,241,314,889 is available through April 28, 2017.

### ***2. FY 2017 Funding Availability***

In FY 2017, \$1,241,314,889 is available for the period October 1, 2016 through April 28, 2017 to the Fixed Guideway Capital Investment Grant Program. The total amount available for projects is \$1,228,901,740 as shown in the table below, after the deduction for oversight (authorized by section 5338).

<b>Capital Investment Grants (New Starts) – FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$1,241,314,889
Oversight Deduction	(12,413,149)
Total Apportioned	\$1,228,901,740

### ***3. Basis for Allocation***

Funds are allocated on a competitive basis and subject to program evaluation.

### ***4. Requirements***

Projects become candidates for funding under the Capital Investment Grant Program by successfully completing steps in the process defined in section 5309 and obtaining a satisfactory rating under the statutorily-defined criteria. For New Starts and Core Capacity Improvement projects, the steps in the process include project development, engineering, and construction. For Small Starts projects, the steps in the process include project development and construction. For programs of interrelated projects, the steps in the process depend on the combination of project types included. New Starts and Core Capacity Improvement projects receive construction funds from the program through a full funding grant agreement (FFGA) that defines the scope of

the project and specifies the total multi-year Federal commitment to the project. Small Starts projects receive construction funds through a single year grant or a Small Starts grant agreement (SSGA) that defines the scope of the project and specifies the Federal commitment to the project.

### ***5. Period of Availability***

Funds for the Fixed Guideway Capital Investment Grant Program remain available for obligation for four years, which includes the fiscal year in which the funds are allocated to projects plus three additional years.

### **E. Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310)**

The Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding to states for the purpose of meeting the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meet these needs. The program aims to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options.

The Pilot Program for Innovative Coordinated Access and Mobility Program (Pilot Program) open to Section 5310 recipients – was established by Section 3006(b) of the [FAST Act](#). The purpose of the program is to assist in financing innovative projects for the transportation disadvantaged that improve the coordination of transportation services and non-emergency medical transportation (NEMT) services, including, for example, the deployment of coordination technology, and projects that create or increase access to community One-Call/One-Click Centers.

*For more information or questions on the Enhanced Mobility of Seniors and Individuals with Disabilities program, please contact Kelly Tyler at (202) 366–3120 or [Kelly.Tyler@dot.gov](mailto:Kelly.Tyler@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$268,208,388 in FY 2017 to provide formula funding to states for the purpose of meeting the transportation needs of older adults and people with disabilities. The law also authorizes \$3 million for the competitive Pilot Program. Under the Further Continuing and Security Assistance Appropriations Act, 2017, \$150,859,185 is available through April 28, 2017 for the formula program.

### ***2. FY 2017 Funding Availability***

The total available funding for projects under the Section 5310 formula program for FY 2017 is \$150,104,889 after the oversight deduction as shown in the table below.

<b>Section 5310 Formula Program – FY 2017</b>	
Total Appropriation Available through April 28, 2017)	\$150,859,185
Oversight Deductions (oversight 0.5%)	( 754,296)
Total Apportioned	\$150,104,889
Competitive Pilot Program	\$1,147,439

### ***3. Basis for Formula Apportionment***

Sixty percent of the funds are apportioned among designated recipients for urbanized areas with a population of 200,000 or more individuals. Twenty percent of the funds are apportioned among the States for urbanized areas with a population of at least 50,000 but less than 200,000. Twenty percent of the funds are apportioned among the States for rural areas, defined as areas with a population less than 50,000. Census Data on Older Adults and People with Disabilities is used for the Section 5310 Enhanced Mobility of Older Adults and People with Disabilities



Apportionments. FY 2017 Apportionments Table 8 displays the amounts apportioned under the Enhanced Mobility of Seniors and Individuals with Disabilities Program.

Under the section 5310 formula, funds are allocated using Census data on older adults (i.e., persons 65 and older) and people with disabilities. However, beginning in 2010, the Census Bureau stopped collecting this demographic information as part of its decennial census. Data on seniors and people with disabilities is now only available from the American Community Survey (ACS), which is conducted and published on a rolling basis. FTA's FY 2017 section 5310 apportionments incorporate ACS data published in December, 2015. Data on seniors comes from the ACS 2010-2014 five-year data set, Table B01001, "Sex by Age. Data on persons with disabilities comes from the ACS 2010-2014 five-year data set, Table S.1810, "Disability Characteristics."

#### ***4. Requirements***

At least 55 percent of program funds must be used on capital projects such as buses and vans; wheelchair lifts, ramps, and securement devices or transit-related information technology systems including scheduling/routing/one-call systems. Mobility management programs are also defined as capital projects for purposes of this provision. The acquisition of transportation services under a contract, lease, or other arrangement is also eligible; both the capital and operating costs associated with contracted service are eligible capital expenses for purposes of this provision. The capital eligibility of acquisition of services is limited to the section 5310 program. The remaining 45 percent of a recipient's 5310 funds can be used for capital or operating.

##### ***a. Eligible Recipients***

Eligible recipients include States for rural and small urban areas and designated recipients

chosen by the Governor of the State for large urban areas; or a State or local governmental entity that operates a public transportation service. For urbanized areas less than 200,000 in population and in the rural areas, the State is the designated recipient for section 5310. Current section 5310 designations remain in effect until changed by the Governor of a State by officially notifying the appropriate FTA Regional Administrator of re-designation. A State or local governmental entity that operates a public transportation service may be a direct recipient for Section 5310 funds.

In urbanized areas over 200,000 in population, the recipient charged with administering the section 5310 Program must be officially designated in accordance with the planning process, by the Governor of a State, responsible local officials, and publicly owned operators of public transportation prior to grant award (See the definition of designated recipient, 49 U.S.C. 5302(4)). Designated recipients are responsible for administering the program. Eligible subrecipients include private nonprofit agencies, public bodies approved by the state to coordinate services for seniors and people with disabilities, or public bodies which certify to the Governor that no nonprofit organizations or associations are readily available in an area to provide the service.

*b. Local Match*

Capital assistance is provided at 80 percent Federal share; 20 percent local share. Operating assistance requires a 50 percent local match. Funds provided under other Federal programs (other than those of the DOT, with the exception of the Federal Lands Transportation Program may be used for local match for funds provided under section 5310, and revenue from service contracts may be used as local match.

*c. Planning and Consultation*

The coordinated planning provision requires that all projects be included in the local coordinated human service-public transportation plan. The plan must be developed and

adopted with representation from seniors, individuals with disabilities, representatives of public, private, nonprofit transportation and human services providers, and other members of the public.

*d. State and Project Management Plans*

States, designated recipients, and State or local governmental entities that operate a public transportation service that are responsible for implementing the section 5310 program are required to document their approach to managing the program. The Management Plans serve as the basis for FTA management reviews of the program, and provide public information on the administration of the programs.

*e. Program of Projects (POP)*

Designated recipients are required to develop a Program of Projects (POP) with the grant application and submit it to the FTA Regional Office. The POP should be developed with respect to the coordinated plan, long range plan, and the transportation improvement plan. For additional guidance in developing the required POP, see Chapter IV of the FTA Circular 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions*, dated July 7, 2014.

***5. Period of Availability***

For Enhanced Mobility of Seniors and Individuals with Disabilities Program funds apportioned under this notice, the period of availability is three years, which includes the year of apportionment plus two additional years. Accordingly, funds apportioned in FY 2017 must be obligated in grants by September 30, 2019. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment among the States and urbanized areas.

***6. Other Program Information***

A State may transfer apportioned funds between small urbanized areas and rural areas if it can certify that the needs are being met in the area to which the funds were originally apportioned. The State can transfer the funds (rural and small urbanized area) to any area within the state if a statewide program for section 5310 is established. Section 5310 funds may not be transferred to other FTA programs. Section 5310 funds apportioned to large urbanized areas may not be transferred to other areas. Section 5310 program recipients may partner with meal delivery programs such as the OAA-funded meal programs (to find local programs, visit: [www.Eldercare.gov](http://www.Eldercare.gov)) and the USDA Summer Food Service Program <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>. Transit service providers receiving 5310 funds may coordinate and assist in providing meal delivery services on a regular basis as long as this does not conflict with the provision of transit services.

Program Guidance is found in FTA Circular 9070.1G, Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions, dated July 7, 2014. Section 3006(b) of the FAST Act creates a new competitive pilot program for innovative coordinated access and mobility that is discussed in section III of this notice. The Federal share is 80% for capital projects. Local Match can come from other Federal (non-DOT) funds.

#### **F. Formula Grants for Rural Areas Program (49 U.S.C. 5311)**

The Rural Areas program provides formula funding to States and Indian tribes for the purpose of supporting public transportation in areas with a population of less than 50,000. Funding may be used for capital, operating, planning, job access and reverse commute projects, and State administration expenses. Eligible sub-recipients include State and local governmental authorities, Indian Tribes, private non-profit organizations, and private operators of public transportation services, including intercity bus companies. Indian Tribes are also eligible direct

recipients under Rural Areas Formula Program, both for funds apportioned to the States and for projects apportioned or selected to be funded with funds set aside for a separate Tribal Transit Program. *For more information about the Formula Grants for Rural Areas program, please contact Élan Flippin at (202) 366-3800 or [Elan.flippin@dot.gov](mailto:Elan.flippin@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$632,355,120 in FY 2017 to provide financial assistance for rural areas under Rural Areas Formula Program.

### ***2. FY 2017 Funding Availability***

Under the Further Continuing Security Assistance Appropriations Act, 2017, \$317,012,628 is available through April 28, 2017 to the Rural Area Programs which includes \$44,378,969 for Growing States. The total amount apportioned to the program is \$359,613,193 as shown in the table below, after the deduction for oversight (authorized by section 5338).

<b>Formula Grants for Rural Areas Program – FY 2017</b>	
Total Appropriation Available Through April 28, 2017	\$317,012,628
Oversight Deductions	(1,778,404)
Section 5340 Growing States	\$44,421,465
Total Apportioned	\$359,655,689

### ***3. Basis for Formula Apportionment***

FTA apportions Rural Areas Formula Program funds to the states by a statutory formula using the latest available U.S. decennial census data. The majority of Rural Formula Program funds (83.15 percent) are apportioned based on land area and population factors. In this first tier, no state may receive more than 5 percent of the amount apportioned on the basis of land area. The remaining Rural Formula Program funds (16.85 percent) are apportioned based on land area,

vehicle revenue miles, and low-income individual factors. In this second tier, no state may receive more than 5 percent of the amount apportioned on the basis of land area, or more than 5 percent of the amounts apportioned for vehicle revenue miles. In addition to funds made available under section 5311, FTA adds amounts apportioned based on rural population according to the growing states formula factors of 49 U.S.C. 5340 to the amounts apportioned to the states under the section 5311 formula. Before FTA apportions section 5311 funds to the states, FTA subtracts funding from the total available amounts for the Appalachian Development Transportation Assistance Program, the Tribal Transit Program, the Rural Transportation Assistance Program (RTAP), and FTA oversight activities.

Data from the National Transit Database (NTD) 2015 Report Year was used for this apportionment, including data from directly-reporting Indian tribes. Data from public transportation systems that reported as urbanized area systems, but that was not attributable to an urbanized area, was also included. The Rural Areas Formula Program program includes three takedowns: the Appalachian Development Public Transportation Assistance Program; the Rural Transit Assistance Program (RTAP); and the Tribal Transit Program. These separate programs are described in the sections that follow.

#### ***4. Requirements***

The Rural Areas Formula Program provides funding for capital, operating, planning, job access and reverse commute projects, and administration expenses for public transit service in rural areas under 50,000 in population. The planning activities undertaken with Rural Areas Formula Program funds are in addition to those awarded to the State under section 5305 and must be used specifically for the needs of rural areas.

*a. Intercity Bus Transportation*

Each State must spend no less than 15 percent of its annual Rural Areas Formula Program apportionment for the development and support of intercity bus transportation, unless it can certify, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are adequately met. FTA encourages consultation with other stakeholders, such as communities affected by loss of intercity service. The cost of an unsubsidized portion of privately provided intercity bus service that connects feeder service, including all operating and capital costs of such service whether or not offset by revenue from such service may be used as in-kind local match for the intercity bus projects. FTA is updating the Rural Areas Formula Program program circular to include this change.

*b. State Administration*

States may elect to use up to 10 percent of their apportionment at 100 percent Federal share to administer the Rural Areas Formula Program program and provide technical assistance to subrecipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, and research the State considers appropriate to promote effective delivery of public transportation to rural areas.

*c. Other Requirements*

The Federal share for capital assistance is 80 percent and for operating assistance is 50 percent, except that States eligible for the sliding scale match under FHWA programs may use that match ratio for Rural Areas Formula Program capital projects and 62.5 percent of the sliding scale capital match ratio for operating projects. No longer exists

Each State prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the States, including Indian reservations, and must provide for maximum feasible coordination with transportation services assisted by other Federal sources.

Additional program guidance for the Rural Areas Formula Program is found in FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated November 24, 2014, and is supplemented by additional information that may be posted to FTA's web page.

### ***5. Period of Availability***

Rural Areas Formula Program funds remain available to states for obligation for three Federal fiscal years, beginning with the year of apportionment plus two additional years. The Rural Areas Formula Program funds apportioned in this notice are available for obligation during FY 2017 plus two additional years. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the Rural Areas program.

### ***6. Other Program Information***

Revenue from the sale of advertising and concessions may be used as local match.

### **G. Rural Transportation Assistance Program (49 U.S.C. 5311(b)(3))**

This program provides funding to assist in the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas. *For more information about Rural Transportation Assistance Program (RTAP), please contact Élan Flippin at (202) 366-3800 or [Elan.flippin@dot.gov](mailto:Elan.flippin@dot.gov).*



### ***1. Authorized Amounts***

There is a two percent takedown from the funds made available for RTAP. Of the remaining amount, 15 percent is reserved for the National RTAP program. The remainder is available for allocation to the States.

Federal Transit Law authorizes \$12,647,102 in FY 2017 to provide technical assistance.

### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$7,113,616 is available through April 28, 2017 to the RTAP Program. The total amount apportioned for RTAP is \$6,046,574 as shown in the table below, after the deduction for National RTAP.

<b>Rural Transportation Assistance Program – FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$7,113,616
National RTAP (15%)	(\$1,067,042)
Total Apportioned	\$6,046,574

### ***3. Basis for Formula Apportionment***

FTA allocates funds to the States by an administrative formula. First, FTA allocates \$65,000 to each State (\$10,000 to territories), and then allocates the balance based on rural population in the 2010 census.

### ***4. Requirements***

Eligible expenses include the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas.

States may use the funds to undertake research, training, technical assistance, and other support services to meet the needs of transit operators in rural areas. These funds are to be

used in conjunction with a State's administration of the Rural Areas Formula Program, but also may support the rural components of the section 5310 program.

### ***5. Period of Availability***

The RTAP funds apportioned in this notice are available for obligation in FY 2017 plus two additional years, consistent with that established for the Rural Areas Formula Program Rural Program.

### ***6. Other Program Information***

The National RTAP project is administered by cooperative agreement and re-competed at five-year intervals. In July of 2014, FTA awarded a cooperative agreement to the Neponset Valley Transportation Management Association to administer the National RTAP Program. The National RTAP projects are guided by a project review board that consists of managers of rural transit systems and State DOT RTAP programs. National RTAP resources also support the biennial Transportation Research Board National Conference on Rural Public and Intercity Bus Transportation and other research and technical assistance projects of a national scope.

### **H. Appalachian Development Public Transportation Assistance Program (49 U.S.C. 5311(c)(2))**

This program is a take-down under the Rural Areas Formula Program to provide additional funding to support public transportation in the Appalachian region. There are sixteen eligible States that receive an allocation under this provision. The State allocations are shown in the Rural Areas Formula program table posted on FTA's website on the FY 2017 Apportionments page. For more information about the Appalachian Development Public Transportation Assistance Program, please contact Élan Flippin at (202) 366-3800 or [Elan.flippin@dot.gov](mailto:Elan.flippin@dot.gov).

### ***1. Authorized Amounts***

Federal transit law authorizes \$20 million in each of FY 2016 through FY 2020 as a take-down under the Rural Areas Formula Program to support public transportation in the Appalachian region.

### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$11,474,389 is available through April 28, 2017.

<b>Appalachian Development Public Transportation Assistance Program Funds FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$11,474,389
Total Apportioned	\$11,474,389

### ***3. Basis for Formula Apportionment***

FTA apportions the funds using percentages established under section 9.5(b) of the Appalachian Regional Commission Code (subtitle IV of title 40). Allocations are based in general on each State's remaining estimated need to complete eligible sections of the Appalachian Development Highway System as determined from the latest percentages of available cost estimates for completion of the System. Such cost estimates are produced at approximate five year intervals. Allocations contain upper and lower limits in amounts determined by the Commission and are made in accordance with legislative instructions.

#### ***4. Requirements***

Funds apportioned under this program can be used for purposes consistent with the Rural Areas Formula Program to support public transportation in the Appalachian region. Funds can be applied for in the State's annual Rural Areas Formula Program grant.

Appalachian program funds that cannot be used for operating may be used for a highway project under certain circumstances. States should contact their regional office if they intend to request a transfer. Additional information about the requirements for this section can be found in Chapter VII of FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated November 24, 2014.

#### ***5. Period of Availability***

Appalachian Program funds are available for three years, which includes the year of apportionment plus two additional years, consistent with that established for the Rural Areas Formula Program.

### **I. Formula Grants for Public Transportation on Indian Reservations Program (49 U.S.C. 5311(j))**

The Public Transportation on Indian Reservations Program, or Tribal Transit Program (TTP), totals \$35 million, of which \$30 million is for a formula program and \$5 million is for a competitive grant program. It is funded as a takedown from funds made available for the section Rural Areas Formula Program. Formula factors include vehicle revenue miles and the number of low-income individuals residing on tribal lands (defined as American Indian Areas, Alaska Native Areas, and Hawaiian Home Lands). Eligible direct recipients are Federally recognized Indian tribes and Alaskan Native Villages providing public transportation in rural areas. The TTP funds are allocated for grants to eligible recipients for any purpose eligible under Rural

Areas Formula Program, which includes capital, operating, planning, and job access and reverse commute projects. *For more information about the Tribal Transit Program contact Elan Flippin, Office of Transit Programs at (202) 366-3800 or [elan.flippin@dot.gov](mailto:elan.flippin@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$35 million in FY 2017 (\$30 million for formula and \$5 million for the competitive program).

### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$15,080,181 is available for the formula program and \$5 million for the competitive program through April 28, 2017 as shown below.

Formula Grants for Public Transportation on Indian Reservations Program FY 2017	
Total Appropriation (formula)	\$15,080,181
Total Apportioned (competitive)	\$ 5,000,000
Total Apportioned	\$20,080,181

### ***3. Basis for Formula Apportionment***

Funding is allocated by formula and distributed to eligible Indian tribes providing public transportation on tribal lands. The formula apportionment shown in Table 10 is based on a statutory formula which includes three tiers. Tiers 1 and 2 are based on data reported to NTD by Indian tribes; Tier 3 is based on 2010–2014 American Community Survey data. The three tiers for the formula are: Tier 1—50 percent based on vehicle revenue miles reported to the NTD; Tier 2—25 percent provided in equal shares to Indian tribes reporting at least 200,000 vehicle revenue miles to the NTD; Tier 3—25 percent based on Indian tribes providing public transportation on tribal lands (American Indian Areas, Alaska Native Areas, and Hawaiian Home

Lands) on which more than 1,000 low income individuals reside. If more than one eligible tribe provides public transportation services on tribal lands in a single Tribal Statistical Area, and the tribes cannot determine how to allocate Tier 3 funds, FTA will allocate the funds based on the relative portion of transit (as defined by unlinked passenger trips) operated by each tribe, as reported to the National Transit Database.

#### ***4. Requirements***

Formula funds apportioned under this program can be used for purposes consistent with Rural Areas Formula Program to support public transportation on Indian Reservations in rural areas. Funds allocated under the competitive program must be used consistent with the tribe's proposal and the allocation notice published in the Federal Register, which is used to announce the selected projects. Eligible recipients under both the competitive and formula program include federally-recognized Indian tribes or Alaska native villages, groups, or communities as identified by the U.S. Department of the Interior Bureau of Indian Affairs (BIA). A tribe must have the legal, financial and technical capabilities to receive and administer Federal funds.

Section 5335 requires NTD reporting for all recipients or beneficiaries all section 5311 funds. This reporting requirement continues to apply to the Tribal Transit Program. Tribes that provide public transportation in rural areas are reminded to report annually so they are included in the TTP formula apportionments. To be considered in the FY 2017 formula apportionments, tribes should have submitted their reports to the NTD no later than April 30, 2016; voluntary reporting to the NTD is also encouraged. Additionally, to be considered for the FY 2018 formula apportionment funds, tribes need to submit their reports to the NTD no later than April 30, 2017. Tribes needing assistance with reporting to the NTD should contact the NTD Helpline at 1-888-252-0936 or [NTDHelp@dot.gov](mailto:NTDHelp@dot.gov).

### ***5. Period of Availability***

Funding for the TTP is available for three years, which includes the year of apportionment plus two additional years, consistent with that established for the Rural Areas Formula Program. Any FY 2017 formula funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the TTP.

### ***6. Other Program Information***

Section 207 of title 23, United States Code establishes a Tribal Transportation Self-Governance Program (Self Governance Program). The Self Governance Program will establish specific criteria for determining eligibility for a tribe to participate in the program. A Negotiated Rulemaking to implement this program in consultation with tribal representatives and other interested stakeholders is under development.

The funds set aside for the TTP are not meant to replace or reduce funds that Indian tribes receive from States through the Rural Areas Formula Program but are to be used to enhance public transportation on Indian reservations and transit serving tribal communities. Funds allocated to Indian tribes by the States may be included in the State's Rural Areas Formula Program application or maybe awarded by FTA in a grant directly to the Indian tribe. FTA encourages Indian tribes intending to apply to FTA as direct recipients to contact the appropriate FTA Regional Office at the earliest opportunity.

TTP grantees must comply with all applicable Federal statutes, regulations, executive orders, FTA circulars, and other Federal requirements in carrying out the project supported by the FTA grant. To assist tribes with understanding these requirements, FTA regularly conducts Tribal Transit Technical Assistance Workshops. FTA has also expanded its technical assistance to tribes receiving funds under this program. In FY 2015, FTA implemented the Tribal Transit

Technical Assistance Assessments initiative. Through these assessments, FTA collaborates with tribal transit leaders to review processes and identify areas in need of improvement and then assist with solutions to address these needs – all in a supportive and mutually beneficial manner. These assessments include discussions of compliance areas pursuant to the Master Agreement, a site visit, promising practices reviews, and technical assistance from FTA and its contractors. FTA will post information about upcoming workshops to its website and will disseminate information about the reviews through its Regional offices. FTA has regional tribal transit liaisons in each of the FTA Regional Offices that are available to assist tribes with applying for and managing FTA grants. Tribes are encouraged to work directly with their regional tribal transit liaison.

## **J. Public Transportation Innovation (49 U.S.C. 5312)**

Public Transportation Innovation is FTA's research program. Within this section, are several different activities that comprise three distinct programs: (a) a Research, Development, Demonstration, Deployment, & Evaluation program (49 U.S.C. 5312(b-e)); (b) a Low or No Emission Vehicle Component Assessment Program (LoNo-CAP) (49 U.S.C. 5312(h)); and (c) a Transit Cooperative Research Program (49 U.S.C. 5312(i)). *For more information about the Public Transportation Innovation program, contact Edwin Rodriguez, Office of Research, Demonstration and Innovation at (202) 366-0671 or [edwin.rodriguez@dot.gov](mailto:edwin.rodriguez@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$48 million for FY 2017 for the Public Transportation Innovation program.

### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017



\$16,064,145 is available through April 28, 2017 shown in the table below.

<b>Public Transportation Innovation Apportioned thru April 28, 2017</b>	
Research, Development, Demonstration, Deployment, & Evaluation	\$ 11,474,389
Low or No Emission Vehicle Component Testing	\$1,721,158
Transit Cooperative Research Program (TCRP)	\$2,868,597
<b>Total Apportioned</b>	<b>\$16,064,145</b>

### ***3. Basis for Formula Apportionment***

Public Transportation Innovation funds are allocated according to the authorized purposes and amounts described above, and then remaining amounts are subject to competitive allocations where not specifically authorized. For FY 2017, FTA intends to fund projects and activities consistent with its Research Strategic Plan and in support of three major areas: Asset Innovation and Management, Mobility, and Safety. Projects may be selected through Notices of Funding Opportunity (NOFO) or Requests for Proposals (RFPs), or sole-sourced. Potential recipients can register to receive notification of funding availability under this program on Grants.gov.

FTA awards an annual cooperative agreement to the National Academies of Science to administer the TCRP. For the LoNo-CAP, proposals were due November 28, 2016 and FTA expects to announce the selected testing facility or facilities in January 2017.

### ***4. Requirements***

Eligible expenses include activities involving (a) Research, Innovation, Development, Demonstration, Deployment, Evaluation; (b) Low or No Emission Vehicle Component Testing; and (c) Transit Cooperative Research.

The Government share of the cost of a project carried out under FTA's Research, Development, Deployment, and Demonstration program shall not exceed 80 percent; the remaining 20 percent of the costs can be met with in-kind resources. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if the non-Federal share is an evaluation factor under a competitive selection process.

However, for the LoNo-CAP, the Government share is 50 percent; the remaining 50 percent of the costs will be paid by amounts recovered through the fees established by the testing facilities. There is no match requirement for the TCRP.

Application instructions and program management guidelines are set forth in FTA Circular C 6100.1E, Technology Development and Deployment, "Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines" dated May 11, 2015.

All research recipients are required to work with FTA to develop approved Statements of Work. FTA will be updating the Circular for the Research Program during FY 2017.

### ***5. Period of Availability***

FTA establishes the period in which the funds must be obligated to the project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program.

### ***6. Other Program Information***

FTA publishes an annual Research Report on projects, evaluations, and benefits of its research portfolio. The FY2015 Report is posted on FTA's website, with the FY2016 report expected in February 2017. Section 6019(b) of the FAST Act establishes new requirements for

annual modal research plans in 49 U.S.C. 6501. The FY 2016 plans are posted on DOT's Website.

For the new LoNo-CAP (5312(h)), FTA solicited proposals for the LoNo-CAP in the Fall of 2016, with selection(s) expected in January 2017. Per the statute, FTA only considered proposals from "institutions of higher education" as defined in section 1002 of title 20, U.S.C., the Higher Education Act of 1965. Eligible institution(s) of higher education must have capacity to carry out transportation-related advanced component testing and evaluation, with laboratories capable of testing and evaluation, and direct access to or a partnership with a testing facility capable of emulating real-world circumstances in order to test low or no emission components.

LoNo-CAP differs from the Bus Testing Program (Section 5318) in that LoNo-CAP testing is voluntary; it will only test components, and it will not assign passing or failing scores. The LoNo component testing performed under LoNo-CAP complements the Section 5318 Bus Testing Program, under which FTA will continue to test complete buses as a condition of eligibility for FTA grant funding. Eligible activities under LoNo-CAP include testing and assessing voluntarily submitted Lo-No components for transit buses, publishing the results of these LoNo component assessments, and preparing an annual report to Congress summarizing the results of the component assessments. *For more information on the LoNo-CAP, please contact Marcel Belanger at [marcel.belanger@dot.gov](mailto:marcel.belanger@dot.gov) or visit: <https://www.transit.dot.gov/research-innovation/lonocap>.*

TCRP is a cooperative effort of three organizations: FTA; the National Academies, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by the American Public Transportation Association (APTA). FTA funds the TCRP through a cooperative

agreement and it is governed by an independent board – the TCRP Oversight and Project Selection (TOPS) Committee. The TOPS Committee sets priorities to decide what research studies will be undertaken and annually selects projects. The FY 2017 selected projects can be found at <http://www.trb.org/TCRP>. *For more information about TCRP, please contact Faith Hall at [faith.hall@dot.gov](mailto:faith.hall@dot.gov).*

Pursuant to the Small Business Innovation Development Act, a portion of the 5312 funds must be set aside for the Department's SBIR program to address high priority research that will demonstrate innovative, economic, accurate, and durable technologies, devices, applications, or solutions to significantly improve current transit-related service including transit vehicle operation, safety, infrastructure and environmental sustainability, mobility, rider experience, or broadband communication. Information on current and past SBIR projects can be found on the DOT SBIR Website.

#### **K. Technical Assistance and Workforce Development (49 U.S.C. 5314)**

The Technical Assistance and Workforce Development program, 49 U.S.C. 5314, provides assistance to: 1) carry out technical assistance activities that enable more effective and efficient delivery of transportation services, foster compliance with Federal laws, and improve public transportation service; 2) develop standards and best practices for the transit industry; and 3) address public transportation workforce needs through research, outreach, training and the implementation of a frontline workforce grant program, and conduct training and educational programs in support of the public transportation industry.

*For more information or questions about the Technical Assistance and Workforce Development programs, please contact Edwin Rodriguez, Office of Research, Demonstration, and Innovation at (202) 366–0671 or [Edwin.rodriguez@dot.gov](mailto:Edwin.rodriguez@dot.gov).*

### ***1. Authorized Amounts***

The Technical Assistance and Workforce Development Program is at \$14 million in FY 2017. Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$5,163,475 is authorized through April 28, 2017 as shown in the table below.

### ***2. FY 2017 Funding Availability***

<b>Technical Assistance and Workforce Development Funds Available thru April 28, 2017</b>	
Technical Assistance, Standards Development & Human Resource Training	\$2,294,878
National Transit Institute	\$2,868,597
Total Appropriated	\$5,163,475

### ***3. Basis for Formula Apportionment***

Under the Technical Assistance and Workforce Development Program, \$2,868,597 is available for the NTI. The remaining \$2,294,878 will be allocated in support of FTA and USDOT strategic goals for technical assistance, standards development, and workforce development. Projects may be selected through sole source, Notices of Funding Opportunity (NOFO) or Requests for Proposals (RFPs). Potential recipients can register to receive notification of funding availability under this program on [Grants.gov](https://www.grants.gov). Once selected, FTA enters into cooperative agreements, grants, contracts, or other agreements to award funds and manage the projects carried out under this section.

### ***4. Requirements***

Eligible expenses include activities involving: (a) technical assistance; (b) standards development; and (c) human resources and training, including workforce development programs and activities. Eligible technical assistance activities may include activities to support: (a) compliance with the ADA; (b) compliance with coordinating planning and human services

transportation; (c) meeting the transportation needs of elderly individuals; (d) increasing transit ridership in coordination with MPOs and other entities, particularly around transit-oriented development; (e) addressing transportation equity with regard to the effect that transportation planning, investment, and operations have for low-income and minority individuals; (f) facilitating best practices to promote bus driver safety; (g): compliance with Buy America requirements and pre- and post-award audits; (h) assisting with the development and deployment of low and no emission vehicles or components for vehicles; (i) and other technical assistance activities that are necessary to advance the interests of public transportation.

Eligible standards development activities include the development of voluntary and consensus-based standards and best practices by the industry including those needed for safety, fare collection, intelligent transportation systems, accessibility, procurement, security, asset management, operations, maintenance, vehicle propulsion, communications, and vehicle electronics.

Eligible human resources and training activities include (a) employment training programs; (b) outreach programs to increase employment for veterans, females, individuals with disabilities, and minorities in public transportation; (c) research on public transportation personnel and training needs; (d) training and assistance for veteran and minority business opportunities; and (e) consensus-based national training standards and certifications in partnership with industry stakeholders. FTA funding directly allocated for these eligible purposes must be done through a competitive frontline workforce development program as required by section 5314. Should FTA allocate funds for these purposes, it will advertise the available funding in a Notice of Funding Opportunity (NOFO) on [Grants.gov](https://www.grants.gov) and on its website. In the meantime, recipients of funds under sections 5307, 5337, and 5339 may use 0.5 percent of

their available funds to pay for workforce development activities (up to an 80 percent Federal share). There is a separate eligibility to use 0.5 percent of available funds under the sections above for training at the National Transit Institute.

The Government's share of the cost of a project carried out using a grant under this section shall not exceed 80 percent. However, for the human resources and training, including the Innovative Public Transportation Frontline Workforce Development Program, the Government's share cannot exceed 50 percent. The Federal share for other types of awards will be stated in the agreement. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if the non-Federal share is an evaluation factor under a competitive selection process.

The non-Government share of the cost of a project carried out under these sections (Technical Assistance and Standards and Technical Assistance and Training) may be derived from in-kind contributions as defined in the most current version of FTA Circular 5010, "Award Management Guidelines" found on FTA's Circular Web page at <http://www.fta.dot.gov/circulars>). Application instructions and program management guidelines are set forth in FTA Circular 6100.1E, "Research, Technical Assistance and Training Programs: Application Instructions and Program Management Guidelines" dated May 11, 2015. All research recipients are required to work with FTA to develop approved statements of work. There is no match requirement for the National Transit Institute.

### ***5. Period of Availability***

FTA establishes the period in which the funds must be obligated to the project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program.

## ***6. Other Program Information***

FTA publishes an annual report to Congress on the technical assistance and standards activities that receive assistance under this section. Additionally, FTA must report annually on the Frontline Workforce Development Program. These reports can be found on FTA's website.

### **L. Public Transportation Emergency Relief Program (49 U.S.C. 5324)**

FTA's Emergency Relief (ER) Program is authorized to provide funding for public transportation expenses incurred as a result of an emergency or major disaster. No funding was provided in the Further Continuing and Security Assistance Appropriations Act, 2017 for this program.

In the event funds are appropriated to this program to assist in responding to a publicly declared emergency or disaster, eligible expenses will include emergency operating expenses, such as evacuations, rescue operations, and expenses incurred to protect assets in advance of a disaster, as well as capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system that the Secretary determines is in danger of suffering serious damage or has suffered serious damage as a result of an emergency. Additionally, transit agencies in the affected areas may request relief from certain FTA administrative and regulatory requirements for costs incurred in support of evacuations, rescue efforts, and the efficient shut down and resumption of transit services during and after the storm. Requests for relief from these requirements may be submitted to FTA's Emergency Relief Docket at <https://www.regulations.gov/>. The docket number for calendar year 2017 is FTA-2017-0001.

FTA also encourages transit agencies in affected areas to become familiar with FTA's Emergency Relief Program Manual, available at [transit.dot.gov/emergencyrelief](http://transit.dot.gov/emergencyrelief). Should funding be made available by Congress through FTA's Emergency Relief Program, or at



FEMA's direction, FTA will work with agencies to assess the impacts of the storm, including emergency operations and any potential damages to transit rolling stock or facilities.

While Congress has not provided funding for this program in FY 2017, so far recipients of FTA funding affected by a declared emergency or disaster are authorized to use funds apportioned under sections 5307 and 5311 for emergency purposes under the provisions of FTA's Emergency Relief Program. Recipients are advised that formula funds disbursed to a grantee for emergency purposes will not be replaced or restored in the event that funding is subsequently made available through FTA under the ER Program or by the Federal Emergency Management Agency (FEMA).

In the event of a disaster affecting a public transportation system, the affected recipient should contact its FTA Regional Office as soon as practicable to determine whether Emergency Relief Program funds are available, and to notify FTA that it plans to seek reimbursement for emergency operations and/or repairs that have already taken place or are in process. If Emergency Relief funds are unavailable the recipient may seek reimbursement from FEMA. Properly documented costs for which the grantee has not received reimbursement from FEMA may later be reimbursed by grants made either from Emergency Relief Program funding (if appropriated) or from sections 5307 and 5311 program funding, once the eligible recipient formally applies to FTA for reimbursement and FTA determines that the expenses are eligible for emergency relief.

More information on the Emergency Relief Program and FTA's response to Hurricane Sandy is available on the FTA website at <https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program/emergency-relief-program>.

For more information or questions on this program, please contact Adam Schildge at 202-366-0778 or [www.adam.schildge@dot.gov](mailto:www.adam.schildge@dot.gov).

### **M. Public Transportation Safety Program (49 U.S.C. 5329)**

The State Safety Oversight Formula Program provides funding to support States with rail fixed guideway public transportation systems (rail transit systems) to develop and carry out State Safety Oversight (SSO) Programs consistent with the requirements of 49 U.S.C. 5329.

*For more information or questions on the Public Transportation Safety program, please contact Maria Wright at (202) 366-5922 or [marial.wright@dot.gov](mailto:marial.wright@dot.gov).*

#### ***1. Authorized Amounts***

Federal transit law authorizes \$23,148,419 in FY 2017 to provide funding to support States in developing and carrying out the SSO Program.

#### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$13,020,292 is available through April 28, 2017 for the period October 1, 2016 through April 28, 2017 for the State Safety Oversight (SSO) program as shown in the table below.

<b>Public Transportation Safety Program Funds Apportioned thru April 28, 2017</b>	
Total Appropriation	\$13,020,292
Total Apportioned	\$13,020,292

#### ***3. Basis for Formula Apportionment***

FTA will continue to allocate funds to the States by an administrative formula, which is detailed in the **Federal Register** notice apportioning SSO Formula Grant Program FY 2013 and FY 2014 funds (Mar. 10, 2014). Grant funds for the SSO program are apportioned to eligible States using a three-tier formula based on statutory requirements, which apportion sixty percent (60%) of available funds based rail transit system passenger miles (PMT), vehicle revenue miles (VRM), and directional route miles (DRM), twenty percent (20%) of available funds equally to

each eligible State, and twenty percent (20%) based on the number of rail transit systems in each state.

#### ***4. Requirements***

FTA requires each applicant to demonstrate in its grant application that its proposed grant activities will develop, lead to, or carry out a State Safety Oversight program that meets the requirements under 49 U.S.C. 5329(e). Grant funds may be used for program operational and administrative expenses, including employee training activities. Please see the **Federal Register** notice which apportioned SSO Formula Grant Program FY 2013 and FY 2014 funds (79 FR 13380, Mar. 10, 2014) for more information.

#### ***5. Period of Availability***

SSO Formula Grant Program funds are available for the year of apportionment plus two additional years. Any FY 2017 funds that remain unobligated at the close of business on September 30, 2019 will revert to FTA for reapportionment under the SSO Formula Grant Program.

#### ***6. Other Program Information***

Section 5329 authorizes FTA to temporarily assume oversight of a rail transit safety system, under certain circumstances. FTA also has the authority to issue restrictions and prohibitions to address unsafe conditions or practices. On August 11, 2016, FTA published a final rule to set procedures for FTA's administration of the Public Transportation Safety Program. The final rule provides procedures whereby FTA may: (1) require a recipient to use Chapter 53 funds to correct safety violations identified by the Administrator or a State Safety Oversight Agency before such funds are used for any other purpose, or (2) withhold up to than 25 percent of funds apportioned under 49 U.S.C. 5307 from a recipient when the Administrator has

evidence that the recipient has engaged in a pattern or practice of serious safety violations, or has otherwise refused to comply with the Public Transportation Safety Program, or any regulation or directive issued under those laws for which the Administrator exercises enforcement authority for safety.

#### **N. State of Good Repair Program (49 U.S.C. 5337)**

The State of Good Repair Program provides financial assistance to designated recipients in Urbanized Areas (UZAs) with fixed guideway and high intensity motorbus systems for capital investments that maintain, rehabilitate, and replace aging transit assets and bring fixed guideway and high intensity motorbus systems into a state of good repair. FTA apportions funds for this program through a statutory formula using data reported to the National Transit Database (NTD).

*For more information or questions on the State of Good Repair program, please contact Eric Hu at (202) 366-0870 or [erichu@dot.gov](mailto:erichu@dot.gov).*

##### ***1. Authorized Amounts***

Federal transit law authorizes \$2,549,670,000 in FY 2017 for the State of Good Repair Program.

##### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$1,438,314,657 is available through April 28, 2017. The total amount apportioned is \$1,423,931,511 after the deduction for oversight as shown in the table below, after the deduction for oversight (authorized by section 5338).

<b>State of Good Repair Program Funds Apportioned FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$1,438,314,657

Oversight Deductions	(\$14,383,147)
Total Apportioned	\$1,423,931,511

### ***3. Basis for Formula Apportionment***

FTA apportions State of Good Repair Program funds according to a statutory formula. Funds are apportioned to urbanized areas with high intensity fixed guideway and high intensity motorbus systems that have been in operation for at least seven years. This means that only segments of high intensity fixed guideway and high intensity motorbus systems that entered into revenue service on or before September 30, 2009 are included in the formula, as identified in the NTD. Funds apportioned to urbanized areas with high intensity fixed guideway and motorbus systems are determined by two equal elements: (1) the proportion of the amount an urbanized area would have received in FY 2011 to the total amount apportioned to all urbanized areas in the FY 2011 Fixed Guideway Modernization program using the fixed guideway definition defined in prior law; and (2) the proportion of vehicle revenue miles of an urbanized area to the total vehicle revenue miles of all urbanized areas and the proportion of directional route miles of an urbanized area to the total directional miles of all urbanized areas. 97.15 percent of the total appropriation is apportioned to the fixed guideway tier, the remaining 2.85 percent is apportioned to the high-intensity motorbus tier.

### ***4. Requirements***

In addition to the program guidance found in the FTA Circular 5300.1, “State of Good Repair Grants Program: Guidance and application Instructions” all recipients will need to comply with the rule issued under section 5326 for the Transit Asset Management plan (TAM).

### ***5. Period of Availability***

The State of Good Repair Program funds apportioned in this notice are available for obligation during FY 2017 plus three additional years. Accordingly, funds apportioned in FY 2017 must be obligated in grants by September 30, 2020. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reappointment under the State of Good Repair Program.

### ***6. Other Program Information***

In July 2016, FTA published a Final Rule for Transit Asset Management (81 FR 48890, July 26, 2016). Grantees must have a TAM plan in place by October 1, 2018. Beginning in FY 2019 all projects funded under the State of Good Repair Program must appear in the investment prioritization of the grantees TAM plan.

### **O. Grants for Buses and Bus Facilities Program(49 U.S.C. 5339)**

The Grants for Buses and Bus Facilities Program provides financial assistance to states and designated recipients for capital investments in public transportation systems to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program, the Low- or No-Emission Vehicle Program, provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

*For more information or questions on the Grants for Buses and Bus Facilities Program, please contact Vanessa Williams at (202) 366-4818 or [vanessa.williams@dot.gov](mailto:vanessa.williams@dot.gov). For information or questions regarding the competitive Low or No Emissions Grant Program, contact Tara Clark at (202) 366-2623 or [tara.clark@dot.gov](mailto:tara.clark@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$719,960,000 in FY 2017, to provide financial assistance for the Grants for Buses and Bus Facilities Program.

### ***2. Funding Availability***

Under the Continuing Appropriations Act of 2017, \$399,193,992 is available through April 28, 2017. After the 0.75 percent take-down for oversight, \$396,200,037 is available after the deduction for oversight, as shown in the table below.

<b>Grants for Buses and Bus Facilities – FY 2017</b>	
Total Appropriation (Formula)	\$245,437,180
Oversight Deduction	(\$1,840,779)
Total Apportioned (Formula)	\$243,596,401
Total Appropriation (Low No Competition)	\$31,554,570
Oversight Deduction	(\$236,659)
Total to be Allocated ( Competition )	\$31,317,910
Total Appropriation (Bus Competition )	\$122,202,243
Oversight Deduction	(\$916,517)
Total to be Allocated ( Competition )	\$121,285,726

### ***3. Basis for Formula Apportionment***

Buses and Bus Facilities Program formula funds are apportioned to States, territories, and designated recipients based on a statutory formula. Under the National Distribution, each State is allocated \$1.0 million and each territory is allocated \$286,860 for use anywhere in the State or territory for each of fiscal years 2016 through 2020. The remainder of the available funding is then apportioned toUZAs based on population, vehicle revenue miles, and passenger miles using the same apportionment formula and allocation process as the Urbanized Area Formula Program. Funds for UZAs under 200,000 in population are apportioned to the State for allocation to eligible recipients within such areas of the State at the Governor’s discretion. Funds for UZAs

with populations of 200,000 or more are apportioned directly to one or more designated recipient(s) within each UZA for allocation to eligible projects and recipients within the UZA.

FTA allocates funds under the competitive section 5339(b) and 5339 (c) programs on an annual basis based on a notice of funding opportunity, which contains detailed guidance on applicant eligibility, project eligibility, evaluation criteria, and application requirements.

#### ***4. Requirements***

Eligible recipients for section 5339(a) formula grants include: (1) designated recipients that allocate funds to fixed route bus operators, and (2) States local governmental entities that operate fixed route bus service. Eligible subrecipients to include public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income. The definition of eligible recipients applies to funding apportioned in previous fiscal years that remain available for obligation. The requirements of the Urbanized Area Formula Program apply to recipients of section 5339 funds within an urbanized area. The requirements of Rural Areas Formula Program apply to recipients of section 5339 funds within rural areas.

Under prior law, only designated recipients were eligible direct recipients of section 5339(a) funds. Given that State and local government entities that operate fixed route service are now eligible direct recipients of section 5339(a) funds. FTA does not require designated recipients to maintain program management plans (PMPs) if they do not manage any sub-awards of section 5339 funds.

For additional program requirements, refer to FTA Circular 5100, “Bus and Bus Facilities Formula Program: Guidance and Application Instructions.”

#### ***5. Period of Availability***



The Bus and Bus Facilities Program formula funds apportioned in this notice are available for obligation during FY 2017 plus three additional years. Accordingly, funds apportioned in FY 2017 must be obligated in grants by September 30, 2020. Any FY 2017 apportioned funds that remain unobligated at the close of business on September 30, 2020 will revert to FTA for reapportionment under the Bus and Bus Facilities Formula Program. Competitive program funds authorized under sections 5339(b) and 5339(c) follow the same period of availability.

#### ***6. Other Program Information***

Although it does not provide additional funding, as authorized under section 5339(a)(9), FTA has established a pilot program to allow designated recipients in urbanized areas between 200,000 and 1 million in population to elect to pool their Bus and Bus Facilities Program formula allocations with other designated recipients within their respective states. The purpose of this provision is to allow for the transfer of formula funding within a State in a manner that supports the transit asset management plans of the participating designated recipients. A State that intends to participate in this pilot program beginning in FY 2018 must submit a request to establish a State Pool to its FTA Regional Office by August 31, 2017. The request must identify the urbanized areas that will participate in the pool for FY 2018, and must include a letter from each participating designated recipient, and from any affected eligible recipients of section 5339(a) funds within the urbanized area, indicating their intention to participate in this pooling provision for FY 2017. An urbanized area that participates in a State Pool must contribute its entire section 5339(a) apportionment for the fiscal years in which it participates in the pool. A designated recipient for a multistate area may participate in only one State Pool. A State that does not establish a State Pool in FY 2018 may choose to begin participating in this provision in a future fiscal year, but should be aware that the benefits of pooling program funds will be

diminished over a shorter duration. For FY 2018, the request must specify the proposed distribution of the pooled funding and must provide a detailed explanation of how this distribution will support the transit asset management plans of each participating designated recipient, including any eligible recipients to which the designated recipient will allocate funding. Upon approval, FTA will make the requested amounts of program funding available to the urbanized areas as directed in the request. A State that elects to participate in this pilot program will be required to develop an allocation plan for the period of fiscal years 2018 through 2020 that ensures that a designated recipient participating in the State's pool receives under the program an amount of funds that equals the amount of funds that would have otherwise been available to the designated recipient for that period pursuant to the formulas provided. The amounts in the State Pool will be apportioned separately from funds apportioned to the State under the Governor's Apportionment for urbanized areas under 200,000 in population, and will be made available directly by FTA to the participating urbanized areas, as directed in the approved allocation plan. An allocation plan may be revised for future fiscal years, provided that it remains compliant with the requirement to ensure equity over the period the pool is in effect. Approved requests to establish a State Pool for the specified UZAs will remain in effect until cancelled at the request of the State or one or more designated recipients. If a State or designated recipient elects to end its participation in this pooling provision in any future fiscal year, FTA will adjust the formula allocations so that the total amount that each affected urbanized area has received over the fiscal years in which it participated, plus the following apportionment, equals the amount it would have received over this period had it not participated in the State pool. Adjustments will be made using the formula apportionment factors used for each of the affected fiscal years. After the pools are determined, FTA will publish a supplementary table showing

the participating UZAs, the State total, and the amounts for each UZA for FY 2017. In future years, the States must provide the amounts determined by August 31 (in an updated allocation plan), so that FTA can publish the breakdowns and make the funds available in the Apportionment Notice.

## **P. Growing States and High Density States Formula Factors (49 U.S.C. 5340)**

Federal transit law authorizes the use of formula factors to distribute additional funds to the section 5307 and Rural Areas Formula Program programs for growing states and high density states. FTA will continue to publish single urbanized and rural apportionments that show the total amount for section 5307 and 5311 programs that includes section 5340 apportionments for these programs.

*For more information or questions on this program, please contact Tara Clark at (202) 366-2623 or [tara.clark@dot.gov](mailto:tara.clark@dot.gov).*

### ***1. Authorized Amounts***

Federal transit law authorizes \$544,433,788 for apportionment in FY 2017 for the Growing States and High Density States Formula factors.

### ***2. FY 2017 Funding Availability***

Under the Further Continuing and Security Assistance Appropriations Act, 2017 \$307,663,675 is available through April 28, 2017.

<b>Growing States and High Density States Formula Factors Available thru April 28, 2017</b>	2017
Growing States	\$156,222,132
High Density States	\$151,441,543
Total Apportioned	\$307,663,675

### ***3. Basis for Formula Apportionment***

Under the Growing States portion of the section 5340 formula, FTA projects each State's 2025 population by comparing each State's apportionment year population (as determined by the Census Bureau) to the State's 2010 Census population and extrapolating to 2025 based on each State's rate of population growth between 2010 and the apportionment year. Each State receives a share of Growing States funds on the basis of its projected 2025 population relative to the nationwide projected 2025 population.

Once each State's share is calculated, funds attributable to that State are divided into an urbanized area allocation and a non-urbanized area allocation on the basis of the percentage of each State's 2010 Census population that resides in urbanized and non-urbanized areas. Urbanized Areas receive portions of their State's urbanized area allocation on the basis of the 2010 Census population in that urbanized area relative to the total 2010 Census population in all urbanized areas in the State. These amounts are added to the Urbanized Area's section 5307 apportionment.

The States' rural area allocation is added to the allocation that each State receives under the Rural Areas Formula Program Formula Grants for Rural Areas program.

The High Density States portion of the section 5340 formula are allocated to urbanized areas in States with a population density equal to or greater than 370 persons per square mile. Based on this threshold and 2010 Census data, the States that qualify are Maryland, Delaware, Massachusetts, Connecticut, Rhode Island, New York and New Jersey. The amount of funds provided to each of these seven States is allocated on the basis of the population density of the individual State relative to the population density of all seven States. Once funds are allocated to

each State, funds are then allocated to urbanized areas within the States on the basis of an individual urbanized area's population relative to the population of all urbanized areas in that State.

## **Q. Washington Metropolitan Area Transit Authority Grants**

Section 601 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) authorized an aggregate amount of \$150,000,000 to be available in increments over 10 fiscal years beginning in fiscal year 2009 to assist Washington Metropolitan Transit Authority (WMATA) in implementing Capital Improvement Program and preventive maintenance projects.

*For more information or questions on the Washington Metropolitan Area Transit Authority Grants program, please contact Eric Hu at (202) 366-0870 or [eric.hu@dot.gov](mailto:eric.hu@dot.gov) or Corey Walker at (202) 219-3562 or [corey.walker@dot.gov](mailto:corey.walker@dot.gov).*

### ***1. Authorized Amounts***

Section 601 of PRIIA authorizes \$150,000,000 in FY 2017.

### ***2. FY 2107 Funding Availability***

Under the Continuing Appropriations Act of 2017, \$86,057,917 is available through April 28, 2017. The total amount available is \$85,197,338 after the deduction for oversight as shown in the table below.

<b>Washington Metropolitan Area Transit Authority Grants Funds - FY 2017</b>	
Total Appropriation Available through April 28, 2017	\$ 86,057,917
Oversight Deduction	(\$860,579)
Total Apportioned	\$85,197,338

### ***3. Basis for Formula Apportionment***

The funding is authorized under Section 601, Authorization for Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority, of the Passenger Rail Investment and Improvement Act of 2008, (Public Law 110-432) Division B, Title VI.

### ***4. Requirements***

Grants may be provided for capital and preventive maintenance expenditures for WMATA after it has been determined that WMATA has placed the highest priority on investments that will improve the safety of the system, including but not limited to fixing the track signal system, replacing 1000 series railcars, installing guarded turnouts, buying equipment for wayside worker protection, and installing rollback protection on cars that are not equipped with the safety feature. FTA will communicate further program requirements directly to WMATA. The maximum Federal share for each project shall be for 50 percent of the net project cost of the project, and matching funds shall be provided in cash from sources other than Federal funds or revenues from the operation of public transportation systems.

### ***5. Period of Availability***

Funds appropriated for WMATA under Section 601 PRIIA shall remain available until expended.

### **R. Paul S. Sarbanes Transit in Parks Program**

The Paul S. Sarbanes Transit in Parks Program (Transit in Parks) at former 49 U.S.C. 5320, has provided grants for alternative transportation in and around America's national parks and Federal lands since 2006. FTA is establishing a deadline of September 30, 2017 to obligate funds allocated to recipients under the Transit in Parks program. Any competitive allocations that remain unobligated after September 30, 2017 will revert back to FTA.

Alternative transportation projects formerly eligible under Transit in Parks are now eligible under the Federal Highway Administration's Federal Lands Transportation Program and the Federal Lands Access Program.

## **V. FTA Policy and Procedures for FY 2017 Grants**

### **A. Automatic Pre-Award Authority to Incur Project Costs**

#### ***1. Caution to New Grantees***

While FTA provides pre-award authority to incur expenses before grant award for formula programs, it recommends that first-time grant recipients NOT utilize this automatic pre-award authority without verifying with the appropriate FTA Regional Office that all pre-requisite requirements have been met. As a new grantee, it is easy to misunderstand pre-award authority conditions and be unaware of all of the applicable FTA requirements that must be met in order to be reimbursed for project expenditures incurred in advance of grant award. FTA programs have specific statutory requirements that are often different from those for other Federal grant programs with which new grantees may be familiar. If funds are expended for an ineligible project or activity, or for an eligible activity but at an inappropriate time (e.g., prior to NEPA completion), FTA will be unable to reimburse the project sponsor and, in certain cases, the entire project may be rendered ineligible for FTA assistance.

#### ***2. Policy***

FTA provides pre-award authority to incur expenses before grant award for certain program areas described below. This pre-award authority allows grantees to incur certain project costs before grant approval and retain the eligibility of those costs for subsequent reimbursement after grant approval. The grantee assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility. This pre-award spending authority permits an eligible grantee to

incur costs on an eligible transit capital, operating, planning, or administrative project without prejudice to possible future Federal participation in the cost of the project. In this notice, FTA provides pre-award authority through the authorization period of the FAST Act (October 1, 2015 through September 30, 2020) for capital assistance under all formula programs, so long as the conditions described below are met. FTA provides pre-award authority for planning and operating assistance under the formula programs without regard to the period of the authorization. All pre-award authority is subject to conditions and triggers stated below:

*a. Operating, Planning, or Administrative Assistance*

FTA does not impose additional conditions on pre-award authority for operating, planning, or administrative assistance under the formula grant programs. Grantees may be reimbursed for expenses incurred before grant award so long as funds have been expended in accordance with all Federal requirements, would have been allowable if incurred after the date of award, and the grantee is otherwise eligible to receive the funding. In addition to cross-cutting Federal grant requirements, program specific requirements must be met. For example, a planning project must have been included in a Unified Planning Work Program (UPWP); a section 5310 project must have been included in a coordinated public transit-human services transportation plan (coordinated plan) and selected by the designated recipient before incurring expenses; expenditures on State Administration expenses under State Administered programs must be consistent with the State Management Plan (as defined in FTA Circular 9040.1G, Chapter 6). Designated recipients for section 5310 have pre-award authority for the ten percent of the apportionment they may use for program administration.

*b. Transit Capital Projects*



For transit capital projects, the date that costs may be incurred varies depending on the type of activity and its potential to have a significant impact on the human and natural environment as described under conditions in section 3 below. Before an applicant may incur costs when pre-award authority has not been granted, it must first obtain a written Letter of No Prejudice (LONP) from FTA. To obtain an LONP, a grantee must submit a written request accompanied by adequate information and justification to the appropriate FTA regional office, as described in section 4 below.

*c. Public Transportation Innovation, Technical Assistance and Workforce Development*

Unless provided for in an announcement of project selections, pre-award authority does not apply to Public Transportation Innovation Public Transportation Innovation projects or section 5314 Technical Assistance and Workforce Development. Before an applicant may incur costs for activities under these programs, it must first obtain a written Letter of No Prejudice (LONP) from FTA. To obtain an LONP, a grantee must submit a written request accompanied by adequate information and justification to the appropriate FTA headquarters office. Information about LONP procedures may be obtained from the appropriate headquarters office.

**3. Conditions**

The conditions under which pre-award authority may be utilized are specified below:

*a.* Pre-award authority is not a legal or implied commitment that the subject project will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore, it is not a legal or implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project.

*b.* All FTA statutory, procedural, and contractual requirements must be met.

*c.* No action will be taken by the grantee that prejudices the legal and administrative findings that the Federal Transit Administration must make in order to approve a project.

*d.* Local funds expended by the grantee after the date of the pre-award authority will be eligible for credit toward local match or reimbursement if FTA later makes a grant or grant amendment for the project. Local funds expended by the grantee before the date of the pre-award authority will not be eligible for credit toward local match or reimbursement.

Furthermore, the expenditure of local funds or the undertaking of certain activities that would compromise FTA's ability to comply with Federal environmental laws (e.g., project implementation activities such as land acquisition, demolition, or construction before the date of pre-award authority) may render the project ineligible for FTA funding.

*e.* The Federal amount of any future FTA assistance awarded to the grantee for the project will be determined on the basis of the overall scope of activities and the prevailing statutory provisions with respect to the Federal/local match ratio at the time the funds are obligated.

*f.* For funds to which the pre-award authority applies, the authority expires with the lapsing of the fiscal year funds.

*g.* When a grant for the project is subsequently awarded, the grant and the Federal Financial Report in TrAMS must indicate the use of pre-award authority.

*h.* Environmental Requirements.

All Federal environmental grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. Designated recipients may incur costs for design and environmental review activities for all projects from the date of the authorization of formula funds or the date of the announcement of the competitive allocations of funds for the project.

For projects that qualify for a categorical exclusion pursuant to 23 CFR 771.118(c), designated recipients may start activities and incur costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date of the authorization of formula funds or the date of the announcement of the competitive allocation of funds for the project. FTA recommends that a grant applicant considering a categorical exclusion pursuant to 23 CFR 771.118(c) contact FTA's Regional Office for assistance in determining the appropriate environmental review process and level of documentation necessary before incurring costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials. If FTA subsequently finds that a project does not qualify for this CE, it will be ineligible for FTA assistance. In particular, FTA encourages grant applicants to contact FTA's Regional Office before exercising pre-award authority for projects to which it believes a CE at 23 CFR 771.118(c)(8), (9), (10), (12), or (13) applies.

For all other projects that do not qualify for a categorical exclusion under 23 CFR 771.118(c), grant applicants may take action and incur costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date that FTA completes the environmental review process required by NEPA and its implementing regulations, 23 U.S.C. 139, and other environmental laws by its issuance of a section 771.118(d) categorical exclusion determination, a Finding of No Significant Impact (FONSI), or a Record of Decision (ROD).

*i. Planning and other requirements.*

Formula funds must be authorized or appropriated and earmarked project allocations published or announced before pre-award authority can be considered.

The requirement that a project be included in a locally-adopted Metropolitan Transportation Plan, the metropolitan transportation improvement program and federally-approved statewide transportation improvement program (23 CFR part 450) must be satisfied before the grantee may advance the project beyond planning and preliminary design with non-federal funds under pre-award authority. If the project is located within an EPA-designated non-attainment or maintenance area for air quality, the conformity requirements of the Clean Air Act, 40 CFR part 93, must also be met before the project may be advanced into implementation-related activities under pre-award authority triggered by the completion of the NEPA process.

For a planning project to have pre-award authority, the planning project must be included in a MPO-approved Unified Planning Work Program (UPWP) that has been coordinated with the State.

*j.* Federal procurement procedures, as well as the whole range of applicable Federal requirements (e.g., Buy America, Davis-Bacon Act, and Disadvantaged Business Enterprise) must be followed for projects in which Federal funding will be sought in the future. Failure to follow any such requirements could make the project ineligible for Federal funding. In short, this increased administrative flexibility requires a grantee to make certain that no Federal requirements are circumvented through the use of pre-award authority.

*k.* All program specific requirements must be met. For example, projects under section 5310 must comply with specific program requirements, including coordinated planning. Before incurring costs, grantees are strongly encouraged to consult with the appropriate FTA Regional office regarding the eligibility of the project for future FTA funds and for questions on environmental requirements, or any other Federal requirements that must be met.

***4. Pre-Award Authority for the Fixed Guideway Capital Investment Grant Program  
(New and Small Starts Projects and Core Capacity Projects)***

Projects proposed for section 5309 Capital Investment Grant (CIG) program funds are required to follow a multi-step, multi-year process defined in law. For New Starts and Core Capacity projects, this process includes three phases: project development (PD), engineering, and construction. For Small Starts projects, this process includes two phases: PD and construction. After receiving a letter from the project sponsor requesting entry into the PD phase, FTA must respond in writing within 45 days whether the information was sufficient for entry. If FTA's correspondence indicates the information was sufficient and the New Starts, Small Starts or Core Capacity project enters PD, FTA extends pre-award authority to the project sponsor to incur costs for PD activities. PD activities include the work necessary to complete the environmental review process and as much engineering and design activities as the project sponsor believes are necessary to support the environmental review process. Upon completion of the environmental review process with a ROD, FONSI, or CE determination by FTA for a New Starts, Small Starts, or Core Capacity Improvement project, FTA extends pre-award authority to project sponsors to incur costs for as much engineering and design as needed to develop a reasonable cost estimate and financial plan for the project, utility relocation, and real property acquisition and associated relocations for any property acquisitions not already accomplished as a separate project for hardship or protective purposes or right-of-way under 49 U.S.C. 5323(q).

For Small Starts projects, upon completion of the environmental review process and confirmation from FTA that the overall project rating is at least a Medium, FTA extends pre-award authority for vehicle purchases. Upon receipt of a letter notifying a New Starts or Core Capacity project sponsor of the project's approval into the engineering phase, FTA extends pre-award authority for vehicle purchases as well as any remaining engineering and design,

demolition, and procurement of long lead items for which market conditions play a significant role in the acquisition price. The long lead items include, but are not limited to, procurement of rails, ties, and other specialized equipment, and commodities.

Please contact the FTA Regional Office for a determination of activities not listed here, but which meet the intent described above. FTA provides this pre-award authority in recognition of the long-lead time and complexity involved with purchasing vehicles as well as their relationship to the “critical path” project schedule. FTA cautions grantees that do not currently operate the type of vehicle proposed in the project about exercising this pre-award authority. FTA encourages these sponsors to wait until later in the process when project plans are more fully developed. FTA reminds project sponsors that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, Disadvantaged Business Enterprise program requirements and Buy America. FTA encourages project sponsors to discuss the procurement of vehicles with FTA in regards to Federal requirements before exercising pre-award authority. Because there is not a formal engineering phase for Small Starts projects, FTA does not extend pre-award authority for demolition and procurement of long lead items. Instead, this work must await receipt of a construction grant award or an expedited grant agreement.

*a. Real Property Acquisition*

As noticed above, FTA extends pre-award authority for the acquisition of real property and real property rights for fixed Guideway Capital Investment Grant projects (New or Small Starts or Core Capacity) upon completion of the environmental review process for that project. The environmental review process is completed when FTA signs an environmental Record of Decision (ROD) or Finding of No Significant Impact (FONSI), or makes a Categorical Exclusion

(CE) determination. With the limitations and caveats described below, real estate acquisition may commence, at the project sponsor's risk. For FTA-assisted projects, any acquisition of real property or real property rights must be conducted in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations, 49 CFR part 24. This pre-award authority is strictly limited to costs incurred: (i) To acquire real property and real property rights in accordance with the URA regulation; and (ii) to provide relocation assistance in accordance with the URA regulation. This pre-award authority is limited to the acquisition of real property and real property rights that are explicitly identified in the final environmental impact statement (FEIS), environmental assessment (EA), or CE document, as needed for the selected alternative that is the subject of the FTA-signed ROD or FONSI, or CE determination. This pre-award authority regarding property acquisition that is granted at the completion of the environmental review process does not cover site preparation, demolition, or any other activity that is not strictly necessary to comply with the URA, with one exception – namely when a building that has been acquired, has been emptied of its occupants, and awaits demolition poses a potential fire safety hazard or other hazard to the community in which it is located, or is susceptible to reoccupation by vagrants. Demolition of the building is also covered by this pre-award authority upon FTA's written agreement that the adverse condition exists. Pre-award authority for property acquisition is also provided when FTA makes a CE determination for a protective buy or hardship acquisition in accordance with 23 CFR 771.117(d)(12). Pre-award authority for property acquisition is also provided when FTA completes the environmental review process for the acquisition of right-of-way as a separate project in accordance with 49 U.S.C. 5323(q). When a tiered environmental review in accordance with 23 CFR 771.111(g) is used, pre-award authority is NOT provided upon

completion of the first tier environmental document except when the Tier-1 ROD or FONSI signed by FTA explicitly provides such pre-award authority for a particular identified acquisition. Project sponsors should use pre-award authority for real property acquisition relocation assistance with a clear understanding that it does not constitute a funding commitment by FTA. FTA provides pre-award authority upon completion of the environmental review process for real property acquisition and relocation assistance to maximize the time available to project sponsors to move people out of their homes and places of business, in accordance with the requirements of the URA, but also with maximum sensitivity to the circumstances of the people so affected.

*b. Reimbursement of Costs Incurred under Pre-Award Authority*

Although FTA provides pre-award authority for property acquisition, long lead items, and vehicle purchases upon completion of the environmental review process, FTA will not make a grant to reimburse the sponsor for real estate activities, vehicle purchases or purchases of long lead items conducted under pre-award authority until the project receives its construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is not yet assured.

*c. National Environmental Policy Act (NEPA) Activities*

NEPA requires that major projects proposed for FTA funding assistance be subjected to a public and interagency review of the need for the project, its environmental and community impacts, and alternatives to avoid and reduce adverse impacts. Projects of more limited scope also need a level of environmental review, either to support an FTA finding of no significant impact (FONSI) or to demonstrate that the action is categorically excluded (i.e., CE) from the more rigorous level of NEPA review. FTA's regulation titled "Environmental Impact and



Related Procedures,” at 23 CFR part 771 states that the costs incurred by a grant applicant for the preparation of environmental documents requested by FTA are eligible for FTA financial assistance (23 CFR 771.105(e)). Accordingly, FTA extends pre-award authority for costs incurred to comply with NEPA regulations and to conduct NEPA-related activities, effective as of the earlier of the following two dates: (1) the date of the Federal approval of the relevant STIP or STIP amendment that includes the project or any phase of the project, or that includes a project grouping under 23 CFR 450.216(j) that includes the project; or (2) the date that FTA approves the project into the project development phase of the CIG program. The grant applicant must notify the FTA Regional Office to initiate the Federal environmental review process in accordance with the “Dear Colleague” letter from the FTA Administrator dated February 24, 2011. NEPA-related activities include, but are not limited to, public involvement activities, historic preservation reviews, section 4(f) evaluations, wetlands evaluations, endangered species consultations, and biological assessments. This pre-award authority is strictly limited to costs incurred to conduct the NEPA process and associated engineering, and to prepare environmental, historic preservation and related documents. When a New Starts, Small Starts, or Core Capacity project is granted pre-award authority for the environmental review process, the reimbursement for NEPA activities conducted under pre-award authority may be sought at any time through section 5307 (Urbanized Area Formula Program) or the flexible highway programs (STP and CMAQ). Reimbursement from the section 5309 CIG program for NEPA activities conducted under pre-award authority is provided only for expenses incurred after entry into the project development phase and only once a construction grant agreement is signed. As with any pre-award authority, FTA reimbursement for costs incurred is not guaranteed.

*d. Other New and Small Starts and Core Capacity Project Activities Requiring Letter of No Prejudice (LONP).*

Except as discussed in paragraphs i through iii above, a CIG project sponsor must obtain a written LONP from FTA before incurring costs for any activity not covered by pre-award authority. To obtain an LONP, an applicant must submit a written request accompanied by adequate information and justification to the appropriate FTA Regional Office, as described in B below.

**B. Letter of No Prejudice (LONP) Policy**

*1. Policy*

LONP authority allows an applicant to incur costs on a project utilizing non-Federal resources, with the understanding that the costs incurred subsequent to the issuance of the LONP may be reimbursable as eligible expenses or eligible for credit toward the local match should FTA approve the project at a later date. LONPs are applicable to projects and project activities not covered by automatic pre-award authority. The majority of LONPs will be for section 5309 Capital Investment Grant program projects (New or Small Starts or Core Capacity) undertaking activities not covered under automatic pre-award authority. LONPs may be issued for formula and competitive funds beyond the life of the current authorization or FTA's extension of automatic pre-award authority; however, the LONP is limited to a five-year period, unless otherwise authorized in the LONP. Receipt of Federal funding under any program is not implied or guaranteed by an LONP.

*2. Conditions and Federal Requirements*

The conditions and requirements for pre-award authority specified in section V.4.ii and V.4.iii above apply to all LONPs. Because project implementation activities may not be initiated before completion of the environmental review process, FTA will not issue an LONP for such

activities until the environmental review process has been completed with a ROD, FONSI, or CE determination.

### ***3. Request for LONP***

Before incurring costs for project activities not covered by automatic pre-award authority, the project sponsor must first submit a written request for an LONP, accompanied by adequate information and justification, to the appropriate regional office and obtain written approval from FTA. FTA approval of an LONP is determined on a case-by-case basis. Federal funding under the Fixed Guideway Capital Investment Grant program for a New Starts, Small Starts, or Core Capacity project is not implied or guaranteed by an LONP. Specifically, when requesting an LONP, the applicant shall provide the following items:

- a.* Description of the activities to be covered by the LONP.
- b.* Justification for advancing the identified activities. The justification should include an accurate assessment of the consequences to the project scope, schedule, and budget should the LONP not be approved.
- c.* Allocated level of risk and contingency for the activity requested.

### **C. FY 2017 Annual List of Certifications and Assurances**

The FY 2017 Certifications and Assurances and Master Agreement are currently available in TrAMS and must be used for all grants and cooperative agreements awarded in FY 2017. All recipients with active projects are required to sign the FY 2017 Certifications and Assurances within 90 days of publication. The FY 2017 Certifications and Assurances publication date of December 20, 2016.

### **D. Civil Rights Requirements**

#### ***1. Equal Employment Opportunity (EEO)***

The FTA Office of Civil Rights released an updated EEO Circular, FTA Circular 4704.1A, effective October 31, 2016. The Circular provides guidance to FTA grant recipients to carry out EEO requirements and prepare EEO Program Plans. The updated FTA EEO Circular is posted at <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eo-circular>. Based on feedback received since publication of the Circular, FTA would like to provide clarification regarding the Circular.

First, State DOTs are subject to the same threshold requirements for FTA EEO Program submissions, located in Circular Section 1.4, Applicability, as other recipients. A State DOT must only submit a transit-related EEO Program if: 1) it employs 100 or more transit-related employees; and 2) requests or receives capital or operating assistance in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous Federal fiscal year. In accordance with a One DOT approach and pursuant to the forthcoming Memorandum of Understanding (MOU) with the Federal Highway Administration (FHWA), State DOTs must submit a single EEO Program to FHWA and FTA which will be jointly reviewed, monitored, and approved in accordance with FHWA and FTA regulations every four years. As part of the implementation of the MOU, FTA will be collecting all State DOT EEO Programs every four years via TrAMS. Therefore, a State DOT that does not meet the threshold requirements outlined in Circular Section 1.4 must still submit the FHWA-required EEO Program every four years to FTA, but will not be required to submit a transit-related EEO Program.

Second, we wish to clarify the threshold requirements for preparing and maintaining an abbreviated EEO Program, which is discussed in Circular Section 1.4. In the paragraph discussing the requirements for agencies employing between 50-99 transit-related employees,

FTA inadvertently did not include the monetary threshold that has been in place since at least 1988. Thus, an agency is required to prepare and maintain an abbreviated EEO Program only if: 1) it has between 50–99 transit-related employees; and 2) it requests or receives capital or operating assistance in excess of \$1 million in the previous Federal fiscal year, or requests or receives planning assistance in excess of \$250,000 in the previous Federal fiscal year. The inadvertent absence of the monetary threshold would require more agencies to prepare and maintain EEO Programs. Thus, reinstating the threshold reduces the burden on transit agencies and maintains the status quo.

Third, only direct recipients who cross the EEO Program threshold requirements in Circular Section 1.4, and State DOTs are required to prepare and/or submit an EEO Program to FTA. All subrecipients and contractors who cross the EEO Program threshold must submit EEO Programs to the entity from which they receive funds, generally the transit agency or the State DOT, as appropriate. This will allow State DOTs and transit agencies to determine and document that subrecipients and contractors comply with EEO statutes and regulations, in accordance with their monitoring responsibilities. FTA applicants, recipients, subrecipients, and contractors that do not meet the EEO Program threshold are not required to submit an EEO Program to FTA or to the entity from which they receive funds.

FTA will amend the pages of the Circular affected by the above clarifications and will post the updated Circular on FTA's Web site.

## ***2. Title VI of the Civil Rights Act of 1964***

The U.S. DOT's Title VI implementing regulations are found in 49 CFR part 21. FTA's Title VI Circular (4702.1B) provides guidance for carrying out the regulatory requirements. Recipients in urbanized areas of 200,000 or more in population and with 50 or more fixed-route

vehicles in peak service must conduct a service or fare equity analysis for all service changes that meet the recipient's definition of "major service change" prior to implementing the service change. A service equity analysis is also required for all New Start, Small Start, or other new fixed guideway capital projects, and must be completed six months prior to implementing revenue service. Recipients also must conduct a fare equity analysis for all fare increases or decreases prior to implementing a fare change. Recipients that do not meet the abovementioned threshold of 200,000 or more in population and 50 fixed route vehicles in peak service (i.e., small transit providers) are not required to conduct a service or fare equity analysis but should review their policies and practices to ensure their service and fare changes do not result in disparate impacts on the basis of race, color, or national origin.

FTA would also like to stress the importance of public participation. Recipients must facilitate effective public engagement throughout all stages of the consultation, planning, and the decision-making process. Particular emphasis should be given to affected, and potentially affected, communities. FTA recommends that recipients anticipating service and fare changes review FTA Circular 4703.1, Environmental Justice Policy Guidance, Chapter III, Achieving Meaningful Public Engagement with Environmental Justice Populations, available at <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/environmental-justice-policy-guidance-federal-transit> for ideas on how to engage affected populations. Should you have any questions, please contact your Regional Civil Rights Officer.

#### **E. Consolidated Planning Grants**

FTA and FHWA planning funds under both the Metropolitan Planning and State Planning and Research Programs can be consolidated into a single consolidated planning grant, awarded

by either FTA or FHWA. The CPG eliminates the need to monitor individual fund sources, if several have been used, and ensures that the oldest funds will always be used first.

Under the CPG, States can report metropolitan planning program expenditures (to comply with the Single Audit Act) for both FTA and FHWA under the Catalogue of Federal Domestic Assistance number for FTA's Metropolitan Planning Program (20.505). Additionally, for States with an FHWA Metropolitan Planning (PL) fund-matching ratio greater than 80 percent, the State can waive the 20 percent local share requirement, with FTA's concurrence, to allow FTA funds used for metropolitan planning in a CPG to be granted at the higher FHWA rate. For some States, this Federal match rate can exceed 90 percent.

States interested in transferring planning funds between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures. Current guidelines are included in Federal Highway Administration Memorandum dated July 12, 2007, "Information: Final Transfers to Other Agencies that Administer Title 23 Programs."

For further information on CPGs, contact Ann Souvandara, Office of Budget and Policy, FTA, at (202)366-0649.

## **F. Grant Application Procedures**

All applications for FTA funds should be submitted to the appropriate FTA Regional Office. All applications are filed electronically. FTA continues to award and manage grants and cooperative agreements using the Transit Award Management System (TrAMS) which re-opened for financial activity on November 1, 2016. Information on accessing and using TrAMS, including a list of FTA points of contact for the system, can be found on FTA's website at <http://www.transit.dot.gov/TrAMS>.

FTA regional staff is responsible for working with grantees to review and process grant

applications. In order for an application to be considered complete and for FTA to assign a Federal Award Identification Number (FAIN), enabling submission in TrAMS, and submission to the Department of Labor (when applicable), the following requirements must be met:

1. Recipient has registered in the System for Award Management (SAM) and its registration is current. If your agency is not registered or needs to ensure it is current, visit the SAM website at (<https://www.sam.gov>).
2. Recipient's contact information, including Dun and Bradstreet Data Universal Numbering System (DUNS), is correct and up-to-date. If requested by phone (1-866-705-5711), DUNS is provided immediately. If your organization does not have a DUNS, you will need to go to the Dun & Bradstreet Web site at <http://fedgov.dnb.com/webform> to obtain the number.
3. Recipient has properly submitted its annual certifications and assurances.
4. Recipient's Civil Rights submissions are current.
5. Documentation is on file to support recipient's status as either a designated recipient (for the program and area) or a direct recipient.
6. Funding is available, including any flexible funds included in the budget, and split letters or suballocation letters on file (where applicable) to support amount being applied for in grant application.
7. The project is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP).
8. All eligibility issues are resolved.
9. Required environmental findings are made.
10. The application contains a well-defined scope of work including at least one project



with accompanying project narratives, budget scope and activity line item information, Federal and non-Federal funding amounts, and milestones.

11. Major Capital Projects as defined by 49 CFR part 633 “Project Management Oversight” must document FTA has reviewed the project management plan and provided approval.

12. Milestone information is complete, or FTA determines that milestone information can be finalized before the grant is ready for award. FTA will also review status of other open grants' reports to confirm financial and milestone information is current on other open grants and projects.

Before FTA can award grants for competitive projects and activities, notification must be provided to the House and Senate authorizing and appropriations committees.

Other important issues that impact FTA grant processing activities are discussed below.

*a. System for Award Management (SAM) Registration and Dun and Bradstreet Universal Numbering System (DUNS) Number.*

Each applicant or recipient of Federal Funds is required to: (1) Be registered in SAM before submitting its application; (2) provide a valid DUNS number in its application; and (3) continue to maintain an active SAM registration with current information at all times during which it has an active award or an application or plan under consideration by the Federal Transit Administration (FTA). FTA will not make an award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the FTA is ready to make a Federal award, FTA may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

The System for Award Management (SAM) <https://www.sam.gov/portal/SAM/> is the Official U.S. Government system that consolidated the capabilities of many systems. There is no fee to register or use this site. Entities may register and update their information at no cost directly from the above site. SAM registration (formerly CCR registration) needs to be renewed at least annually.

*b. Award Budgets—Scope Codes and Activity Line Items (ALI) Codes; Financial Purpose Codes*

FTA uses the Scope and Activity Line Item (ALI) Codes in the award budgets to track disbursements, monitor program trends, report to Congress, and to respond to requests from the Inspector General and the Government Accountability Office (GAO), as well as to manage grants. The accuracy of the data is dependent on the careful and correct use of codes.

*c. Designated and Direct Recipients Documentation*

For its formula programs, FTA primarily apportions funds to the designated recipient in the large UZAs (areas over 200,000), or for areas under 200,000 (small UZAs and rural areas), it apportions the funds to the Governor, or its designee (e.g., State DOT). Depending on the program and as described in the individual program sections found in Section IV of this notice, further suballocation of funds may be permitted to eligible recipients who can then apply directly to FTA for the funding (direct recipients), so long as the required documentation is on file.

For the programs in which FTA can make grants to eligible direct recipients, other than the designated recipient(s), recipients are reminded that documentation must be on file to support the: (1) status of the recipient either as a designated recipient or direct recipient; and (2) the allocation of funds to the direct recipient.

Documentation to support existing designated recipients for the UZA must also be on file at the time of the first application in FY 2017. Further, split letters and/or suballocation letters

(Governor's Apportionment letters), must also be on file to support grant applications from direct recipients. Once suballocation letters for FY 2017 funding are finalized they should also be uploaded into TrAMS.

The Direct Recipient is required to upload to TrAMS a copy of the Designated Recipient letter indicating their allocation of funding [for the appropriate fund program] when the applicant transmits their application for initial review. The letter must be signed by the Designated Recipient, or as applicable in accordance with their planning requirements. If there are two Designated Recipients, both entities must sign the Letter. The Letter must: 1) indicate the allocations to the respective Direct Recipients listed in the letter; 2) incorporate language above the signatories to reflect this agreement; and 3) make clear that the Direct Recipient will assume any/all responsibility associated with the award for the funds. When drafting the letter, Designated Recipients may use the template language below:

“As identified in this Letter, the Designated Recipient(s) authorize the reassignment/reallocation of [enter fund source; e.g. Section 5307 funds] to the Direct Recipient(s) named herein. The undersigned agree to the amounts allocated/reassigned to each direct Recipient. Each Direct Recipient is responsible for its application to the Federal Transit Administration to receive such funds and assumes the responsibilities associated with any award for these funds.”

## ***2. Payments***

Once a grant has been awarded and executed, requests for payment can be processed. To process payments, FTA uses ECHO-Web, an Internet accessible system that provides grantees the capability to submit payment requests on-line, as well as receive user-IDs and passwords via email. New applicants should contact the appropriate FTA Regional Office to obtain and submit

the registration package necessary for set-up under ECHO-Web.

### ***3. Oversight***

FTA is responsible for conducting oversight activities to help ensure that grants recipients use FTA Federal financial assistance in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements. FTA conducts periodic oversight reviews to assess grantee compliance with applicable Federal requirements. Each Urbanized Area Formula Program recipient is reviewed every three years, (also known as FTA's Triennial Review); and States and state-wide public transportation agencies are reviewed periodically to assess the management practices and program implementation of FTA state-wide programs (e.g., Planning, Rural Areas, Enhanced Mobility of Seniors and Individuals with Disabilities Programs). Other more detailed reviews are scheduled based on an annual grantee oversight assessment. Important objectives of FTA's oversight program include, but are not limited to: determining grantee compliance with Federal requirements; identifying technical assistance needs, and delivering technical assistance to meet those needs; spotting emerging issues with grantees in a forward-looking fashion; recognizing when there is a need for more in-depth reviews in the areas of procurement, financial management, and civil rights; and identifying grantees with recurring or systemic issues.

### ***4. Technical Assistance***

As noted throughout the notice, FTA continues to rely on several of the existing program circulars for general program guidance. FTA is continuing to update the program circulars, with an opportunity for notice and comment (where warranted), to reflect amendments to chapter 53 of title 49, U.S.C. made by the FAST Act. In the meantime, if you have any questions, please do not hesitate to contact FTA. FTA headquarters and regional staff will be pleased to answer your

questions and provide any technical assistance you may need to apply for FTA program funds and manage the grants you receive. At its discretion, FTA may also use program oversight consultants to provide technical assistance to grantees on a case by case basis. This notice and the program guidance circulars previously identified in this document may be accessed via the FTA Web site at [www.fta.dot.gov](http://www.fta.dot.gov)

## **G. Grant Management**

### ***1. Grant Reporting***

Recipients of FTA funds are reminded that all FTA grantees are required to report on their grants and it is critical to ensure reports demonstrate that reasonable progress is being made on the project. At a minimum, all awards require a Federal Financial Report (FFR) and a Milestone Progress Report (MPR) on an annual basis, with some reports required quarterly depending on the recipient and the type of projects funded under the grant. The requirements for these reports and other reporting requirements can be found in the latest version of FTA Circular 5010. FTA staff, auditors, and contractors rely on the information provided in the FFR and MPR to review and report on the status of both financial and project-level activities contained in the grant. It is critical that recipients provide accurate and complete information in these reports and submit them by the required due date. Failure to report and/or demonstrate reasonable progress on projects can result in suspension or premature close-out of a grant.

### ***2. Inactive Grants and Grant Closeout***

In FY 2017, FTA will continue to focus on identifying and working with recipients to close inactive grants. If appropriate, FTA will take action to close out and deobligate funds from these grants if reasonable progress is not made. The efficient use of funds will further FTA's fulfillment of its mission to provide efficient and effective public transportation systems for the

nation. As inactive grants continue to be an audit finding within the DOT, FTA must take action to ensure its grants do not impact the DOT from receiving a “clean audit” opinion on its annual financial statements.

In October 2016, FTA identified a list of grants that were awarded on or prior to September 30, 2013 and have had no funds disbursed since September 30, 2015 or have never had a disbursement. FTA Regional Offices will be contacting grant recipients with grants that meet this criteria to notify them that FTA intends to close the grant and deobligate any remaining funds unless the grantee can provide information that demonstrates that the projects funded by the grant remain active and the grantee has a realistic schedule to expedite completion of the projects funded in the grant.

---

Matthew Welbes  
Executive Director

[FR Doc. 2017-01194 Filed: 1/18/2017 8:45 am; Publication Date: 1/19/2017]